The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

How Manchurian Ghosts Overshadow the Italo-Ethiopian Issue

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SATURDAY, OCTOBER 19, 1935 VOLUME 74, NUMBER 7

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5 45	15 05	8 45	18 50	13 15	16 30	20 15	10 55	dep	Peiping	arr.	10 24	11 29	17 55	18 42	23 17	9 18	8 19	11.50
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12 52		14 42		20 11		3 32	16 39	,,	Tang-shan	,,		4 15	10 30	12 50	16 37	2 58		
13 39		15 17		20 47		4 20	17 14	,,	Ku yeh	,,		3 30	9 44	12 18	16 05	2 16		
14 29		15 49		21 21		5 12	17 46	,,	Lanhsien	,,		2 32	8 45	11 39	15 22	1 18		
15 32		16 31		22 11		6 18	18 28	,,	Chang li	,,		1 29	7 40	10 58	14 37	0 19		
16 16		17 04		22 46		7 07	19 01	,,	Pei tai-ho	,,		0 39	6 54	10 27	14 00	23 31		
16.43		17 23		23 08		7 33	19 20	,,	Chin-wang-tao	,,		0 01	6 25	10 04	13 35	22 59		
17.05		17 40		23 26		7 55	19 37	arr	Shan-hai-kwan	,,		23 30	6 00	9.45	13.15	22 30		
		18 40						dep	,,	arr.						21 26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		
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Tientsin, 1st July, 1934.

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October 1935

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11⅞	4⅝	—	Adams Express	8¼	8⅜
146	90¼	4.00	American Can	142½	142½
28½	14⅝	0.40	Amer. Cyanamid "B"	28¼	27⅝
13⅝	2	—	American & For. Power	6⅜	6⅛
41	11¾	—	American & Foreign Pwr. $7 pref.	31½	33
18½	10	—	American Radiator & S.S.	17	17⅜
144¾	99¼	9.00	American Tel. & Tel.	141	140⅝
105	67	5.00	American Tobacco "B"	102	104
27⅝	7¼	—	American Waterworks	17	16¾
23¼	8	—	Anaconda Copper	21⅞	2 3/4
73⅜	36⅝	2.00	Atchison, T. & S. Fe	46⅝	48½
57⅜	15	—	Auburn	40⅜	43¼
34½	7⅞	—	Baltimore & Ohio	14½	14⅞
49¼	22¼	—	Bethlehem Steel	38⅝	38¾
16¼	6½	—	Boeing Airplane Co.,	15½	15⅝
18¼	8⅝	—	Canadian Pacific Railway	9⅛	9⅛
88⅜	35	—	Case, J. I.	84½	85¼
54⅞	23	1.00	Caterpillar Tr.	53⅛	53½
40¾	15⅞	1.40	Chase National Bank	30	30⅜
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81⅜	29¼	1.00	Chrysler	81⅜	82¼
19¼	8¾	0.20	Columbia Gas & Electric	18⅛	18½
36⅜	15⅝	0.60	Coml. Solvents	18½	18⅜
3⅜	0⅜	—	Commonwealth & Southern (ord.)	1⅜	1⅜
47⅜	16¼	1.00	Consolidated Gas of N. Y.	29½	28⅞
14¼	6¼	0.75	Consolidated Oil	8¼	8¼
23	15½	0.25	Continental Oil	20⅜	20⅜
81¼	55¼	3.00	Corn Products	62¼	64½
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135	80	3.60	Du Pont de Nemours	135	136
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The China Weekly Review

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The China Weekly REVIEW

Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE POSTAGE INCLUDED IN CHINA AND JAPAN IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S CAN MADE BY INTERNATIONAL MONEY ORDER ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

HOW MANCHURIAN GHOSTS OVERSHADOW THE ETHIOPIAN CRISIS

IT is impossible to give serious consideration to the Italy-Ethiopian issue without sensing the shadow of the Manchurian issue in the background. Also it is impossible to follow the daily newspaper reports of the sturdy resistance the Ethiopians are putting up to Mussolini's campaign of aggression without having the feeling that things might be different in China today had this country put up equally strong opposition to Japanese aggression at the very beginning in Manchuria. Rumors have persisted that the consular officials of certain European countries advised Marshal Chang Hsueh-liang not to resist the Japanese but to put his trust in the League. Whether this was true is not known, but there can be little questioning the fact that had the Chinese resisted from the very beginning as they did at Shanghai early in 1932 and in the vicinity of the Great Wall early in 1933, the story might be different today. A high Japanese legal authority recently wrote a long dissertation on the point that Japan's military occupation of Manchuria was justified and was welcomed by the masses of the Chinese *because there was little or no genuine resistence.* Such arguments, of course, fit in with the Japanese propaganda (now being repeated in North China) that the Chinese people welcomed the foreign "deliverers," because conditions were so onerous that the people were glad to see the Japanese come in and oust the native rulers.

But there is another similarity in the cases of Manchuria and Ethiopia which is even more striking and which now persists in rising up like Banquo's ghost to plague those who would bring pressure on Italy to keep the peace. This ghost of the Manchurian issue has to do with Britain's (also French) failure to cooperate with the United States in 1931 in compelling Japan to observe the various treaties which she had signed which had a bearing on the Manchurian issue. Had these nations stood shoulder to shoulder with the United States in 1931 and 1932 and compelled Japan, as they easily could have done, to observe the treaties her delegates had signed supposedly in good faith, the Manchurian issue would have stopped with the

occupation of Mukden. But the leading European powers failed to act in behalf of law-observance in 1931-1932 and now they are reaping the whirlwind because Mussolini, emboldened by Japan's open violation of treaties four years ago, is now guilty of similar acts in the African zone. Japan established a precedent in treaty violation and now Mussolini follows along. Who will be next? The fuse which the Japanese warlords lighted in Manchuria four years ago continues to burn brighter and brighter as the flames creep toward the powder magazine of another world war. And the same Japanese warlords who lighted the fuse are sitting back calmly awiting the European explosion and making full preparation to take advantage of the distress of mankind which much inevitably follow.

There is, naturally, a brighter side to the picture, which would be observable immediately in the event European statesmen could now make a definite stand against Mussolini's law-breaking activities and compel him to reconsider his course. There are indications of such developments, but there also are ominous indication of more serious complications leading in the direction of war between Italy and Britain because European statesmen failed to act quickly enough in the present circumstances, but actually because they failed to act at all in the 1931 when Japan violated the League Covenant, Nine-Power Treaty and Kellogg anti-war pact. But suppose that European leaders, sensing the dangerous drift of affairs, should now act and bring Mussolini to his senses! That also would establish a precedent and would pave the way for retracing steps in the Orient that likewise would compel the Japanese law-violaters to reconsider and restore to the Chinese people the fruits of four years of Japanese aggression.

The Japanese have been circulating much hypocritical propaganda trying to convince the world of their support of the Ethiopians, but the Japanese at heart hope Mussolini will win out. They also hope that the Italian dictator will drag down the whole European household so that Imperial Japan can take fullest possible advantage, particularly in this part of the world where weakened European control over Asiatic colonies will provide the Japanese imperialists with a Heaven-sent opportunity for further aggrandizement.

But regardless of what may happen in Europe it is well to keep in mind the twin ghosts of the Manchurian question: The first and most imposing is the ghost of Chinese failure to resist, but of almost equal importance is the ghost of Europe's failure to make a stand for treaty observance when the Japanese lighted the war fuse in Mukden on the fateful night of September 18, 1931.

"Censorship Should Be Conducted Intelligently or Abolished Entirely"

PROF. HUBERT S. LIANG, member of the faculty of the School of Journalism of Yenching University, Peiping, contributed an article on censorship to the October 10 issue of *The China Critic* which should be read by all government officials but particularly those who are responsible for the present attempt at censorship of the press in China. Prof. Liang argued that the censorship should either be made efficient or abolished entirely, opening his article with a reference to a glaring case of bungling censorship in North China which concerned the arrest and incarceration within the Japanese Embassy in Peiping of a prominent Chinese official. Since an incident of this character probably couldn't occur in any other country it is necessary to explain that a Chinese official named Tao Shang-min called on August 6 at the Japanese Embassy in Peiping. He called in response to a telephone invitation from Col. Tan Takahashi, assistant Japanese Military Attache. When Mr. Tao entered the gate of the Japanese compound he was immediately placed under detention and confined there for several days. Aside from a vague hint that Mr. Tao was being detained because of something which had happened within the demilitarized zone north of Tientsin several days previously, the Japanese made no explanation of their strange action.

The *Ta Kung Pao*, leading Chinese paper in Tientsin, published the following editorial paragraph about the incident:

> "The news of the detention of Tao Shang-min at the Japanese Embassy was not published until 10 days after it reached our office We feel most regretful over this However, there was nothing else we could do as we were carrying out the orders of the Government We sincerely hope that our readers will understand this and show us consideration accordingly."

According to Prof. Liang this paragraph in the leading Chinese newspaper in Tientsin, "illustrated in pointed fashion one of the acute problems facing the Chinese press and the Chinese people as a whole, namely, the problem of censorship." Except for a few who have unusually good access to news sources the general public, dependent upon the newspapers for most of its information of the day, is kept fairly in the dark over what is happening in the country in a significant way." Prof. Liang then explained that with the exception of England and the United States, practically all other countries maintain censorships of varying degrees of efficiency. He then quoted an article from a recent issue of the *Manchester Guardian* telling of the press censorship in Germany, which, under the Hitler-Nazi regime has practically killed the press of that country, the situation being so serious that the German people have practically ceased to read their newspapers. Under the control of the Propaganda Minister, Dr. Goebelles, the once influential German newspapers have been reduced to uninteresting "bulletins" of official propaganda, causing the people to use other methods

of finding out what is going on. Prof. Liang then explained censorship in Italy, Russia, France and Japan, coming finally to China where he said that the burning of the books by Ch'in Shih Hwang was a classical example of early censorship in this country. The severest censorship ever known in the country was under the regime of the Manchu Empress Dowager who did not hesitate to suppress newspapers and order the arrest and execution of editors who incurred her displeasure. Two famous editors of the time Kang Yu-wei and Liang Chi-chao were ordered arrested and she even threatened punishment of their readers. The inauguration of the Republic in 1911 marked the end of censorship and to make it certain the new provisional constitution contained a definite guarantee of freedom of the press. Gone were the days of the mediaeval conception of the press which had prevailed under the discredited Manchus.

Then came the Japanese seizure of the Manchurian provinces which precipitated a national crisis and along with it a rigid censorship of the press which, in some respects, became almost as stringent as it was under the Manchus—because, in addition to the censorship by Chinese officials there is the added menace of Japanese pressure upon Chinese officials to prevent the publication of news and articles which the Japanese also wish to keep under cover. The following paragraph from Prof. Liang's article in *The Critic* explains the situation:

> "Broadly speaking, the Chinese publishers and editors, realistic as they are, do not claim unfettered freedom of the press. That is, they accept censorship as a temporary necessity, considering the peculiar situation in which China finds herself today. What they strongly object and resent is the haphazard and unintelligent way in which censorship is sometimes exercised. True, there is a set of regulations governing censorship. But they cover such a great deal of ground that they are capable of all kinds of interpretations by all kinds of people. Most of the censors are untrained for their task and not infrequently they themselves cannot wisely distinguish what should or should not be published in the interest of the country. Moreover, as the foreign papers are not subjected to censorship they can print news and views which are forbidden to the Chinese paper. Oftentimes, too, an item of news is suppressed by censors of one locality, say Peiping, whereas the same item of news is allowed to be printed in papers of another locality, say Tientsin or Tsinan. Also there is the frequent duplication or even conflict of orders by the different parties that are supposed to be interested in a certain particular item of news. In this way not only are the newspapers, but even the censors themselves, placed in a most embarrassing situation. With respect to the foreign news dispatches, they are supposed to be carefully checked up by censors stationed in the cable and radio offices. But the loopholes in this respect are the Japanese cable line between Nagasaki and Shanghai over which the Japanese correspondents are able to send out all kinds of reports unrestricted and unchecked, and the fact that some of these foreign dispatches, in order to escape censorship, are cabled from Hongkong or Dairen to the outside world."

Prof. Liang concluded his article with the statement that the censorship should either be made efficient or abolished altogether. He said that unless China could develop centralized and unified control similar to the practice in Germany and in addition could develop a highly trained personnel as censors and finally could enforce its edicts upon foreign and Chinese papers alike—"unless and until these conditions can be satisfactorily fulfilled, it is doubtful whether the censorship, as now carried out, can serve its purpose with 100 percent efficiency."

Prof. Liang's statement was correct, because, from the standpoint of the Chinese newspapers and their editors, the censorship was disastrous, if not tragic, particularly when one permits his thoughts to go back a few weeks to the case of Tu Chung-yuan, editor of the *New Life Magazine*, who was railroaded to jail purely as a result of Japanese military pressure upon officials of the National Government at Nanking. Editor Tu was given a 14-months jail sentence, not because his writings were illegal under Chinese law, but because the warlords of Imperial Japan were looking for something to use is enforcing their demands upon a militarily weak Chinese government.

Here's a further example of the ridiculousness of the censorship as at present enforced:

On October 1 the foreign newspapers in Shanghai published a brief telegram from Tokyo stating that seven Japanese gunboats had been sent to Hankow for the purpose of enforcing demands which the Japanese consul-general had made upon the local Chinese officials. The Chinese newspapers were not permitted to publish this brief dispatch, which was the first information to be received in Shanghai regarding complications at Hankow. An inspection of the Japanese newspapers, both in Shanghai and in Japan, disclosed however, that a threatening situation had prevailed at Hankow since Sept. 18, the anniversary of the Japanese occupation of the Manchurian provinces. It seems that the Japanese authorities at Hankow had sent spies into the Chinese barracks and had found some old targets used on the rifle range which were painted to resemble the Japanese flag while two effigies, allegedly resembling Japanese soldiers, also had been used as targets. The Japanese *Rengo* message admitted the targets were old, probably dating back to the Boxer rebellion more than a third of a century ago, but the incident offered the Japanese the opportunity they desired for making their military (naval) force felt in Central China in preparation for the unfolding of their so-called "New Policy" which is shortly to be put into effect. As a result of threats to take "drastic action," the Chinese auhorities were compelled (Oct. 9) to dismiss from office, Gen. Yeh Peng, garrison commander and Gen. Chang Chun, chairman of the Hopei provincial govenment was compelled to tender an apology and guarantee against future occurrences of an "anti-Japanese" nature. Also, there have been further rumors that the Mayor of Hankow was forced to resign, but this has not been confirmed.

These facts are now fairly well known among readers of the foreign, that is, English-language press in the Chinese ports, but aside from the fact that the garrison commander at Hankow had

"resigned" and a new men had been appointed to the post, the Chinese newspapers were not permitted to print a word about the stirring events described in the preceding paragraph. The *Chekiai News Agency*, Chinese controlled, circulated a report on Oct. 14 from Hankow to the following effect,

> "Gen. Chen Chi-cheng, the new garrison commander of the Wuhan cites, yesterday formally assumed his office .....Gen. Chen succeeds Gen. Yeh Peng, who was relieved of the post last week for reasons yet undisclosed."

Immediately following the sentencing of the editor of the *New Life Weekly* to prison for a 14-months term as a result of Japanese military pressure Chinese editors in all parts of the country sent representative to Nanking pleading for relief from the stringent censorship regulations. It was reported that some relaxation was promised but not to any apprecible extent, if one is to judge the situation in the basis of the Hankow case referred to in the foregoing.

Recently one of the local schools, Fuh Tan University, held an international press exhibition consisting of newspapers and magazines collected from all parts of the world. The exhibition included publications from 26 countries and 12 colonial dependences. The idea was to exemplify journalistic progress in the past 100 years. One of the leading local newspapers *The Shun Pao*, commented on the exhibition,

> "Although we cannot deny that some progress has been made in Chinese journalism during the past few years, we are still far behind in comparison, with the more important journals in other countries. While a circulation of 1,000,000 is common in many countries, it is unknown in China. News transmission facilities and other communication methods are by no means efficient or sufficient. The present exhibition is an excellent opportunity for us to realise our defects and to make further attempt are improvement.
>
> "If we want newspaper enterprise in China to reach the level of those of other countries, we cannot depend on the newspapers to do it alone. Many other factors must be considered such as educational and cultural advancement, industrial development and communication expansion. These are important requisites which are lacking in China and in which everyone must share if

One of the members of the Central Executive Committee of the Kuomintang, Shao Yuan-chung, recently delivered an address at Nanking in the course of which he declared that the Chinese people must regain confidence in their own capabilities. "There is no other way to cope with the present national emergency," he declared. "Our lack of self-confidence must be overcome by perseverance and instead of giving way to defeatism, our comrades must devise an integral plan for the regeneration of the nation—a task to which each must contribute his part." According to the *Kuomin* account of Mr. Chao's remarks, he declared that the continued existence of the nation depends uopn the "basic" characteristics of the people, whether material, spiritual, moral or cultural. Referring to a message which the late Dr. Sun Yat-sen once sent to the Chinese in America, Mr. Chao quoted the late leader as declaring that China's worst enemy was the invisible one of "diffidence" of revolutionary comrades.

That the censorship of the Chinese press has had considerable to do with the creation of the "defeatist" attitude among the people is obvious. It is self-evident that when the public generally is denied information regarding developments which immediately concern their interests, it is inevitable that the people must lose interest in public affairs. While it is admitted that conditions in China are peculiar in that the country does not possess complete sovereignty, this element becomes all important when the Government attempts the censorship of the Chinese press. It is of undoubted significance that all of the Japanese newspapers in Shanghai have recently started editions or sections in the Chinese language. No Chinese censorship can interfere with what they print! Also it is of significance that for many months the Japanese press in Shanghai and at the other Chinese ports has been entirely free to launch its attacks on Chinese officials and their policies, while the Chinese press and even the foreign language newspapers in the foreign ports have been restricted in their publication of news and editorial comment. The result has been demoralizing not only from the standpoint of the Chinese press where the editors and reporters have lost their journalistic alertness, but also from the standpoint of the newspaper readers who have lost their self-confidence and have adopted a defeatist attitude toward national affairs. The remedy for his deplorable situation, obviously, is the elimination of the censorship and the re-establishment of a free press in accordance with constitutional guarantees. Money which previously has been used in financing the censorship might be well be devoted to the training of young men and momen in modern journalism in the new schools for that purpose which have been established in recent years, but whose activities have been restricted due to lack of funds.

U. S. Navy Day, Oct. 27

October 27 will be celebrated as U.S. Navy Day in Shanghai with due ceremony despite the fact that the United States Asiatic Fleet will not be in port this year. The principal duties of the celebration will be undertaken by Naval and Marine o .cials.

Navy Day is also the birthday of Theodore Roosevelt, and it is not a coincidence that the two days fall together. Roosevelt is justly called the "Father of the Modern American Navy," for it was he who fostered the creation of a modern fleet for the protection of American citizens and their property in all parts of the world. To commemorate the great President's birthday, Navy Day was officially instituted in 1922.

In accordance with past Navy Day celebrations in Shanghai open house will most likely be held on board the *Tulsa* and the U.S.S. *Panay*, of the Yangtsze Patrol, the only U.S. war vessels in port at the present time.

Annual Chinese Post Office Report Shows Notable Progress

The annual report of the Chinese Post Office was issued Oct. 11. It shows a notable progress in postal business in 1933-1934. It is mentioned that cessation of warfare and the suppression of bandits and Communists in various parts of China greatly helped the development of postal activities.

Although postal operations in the three Eastern Provinces remained suspended, the warfare in the North and in Szechuen was settled, the report points out. The disturbances along the Kansu-Ningsia border likewise were terminated. Bandit activities in Hupeh, Hunan, Anhwei, and Fukien gradually were suppressed and the campaign against the Communists in Kiangsi advanced so rapidly that several important regions which had been held by the Reds for many years were recaptured. In all these regions postal operations were re-established. In other localities, postal facilities were extended and the transmission of mail was expedited.

German View on the Japanese Army's Next Move

GENERAL Haushofer, once German military attache in Japan but now a sort of liaison officer between the Japanese and German military establishments, recently contributed an article on the military situation in Japan to the German fascist publication *Zeitschrift Fur Geopolitik*. The article was of special significance in that it referred to the recent assassination of Gen. Nagata, one of the leading figures in the Tokyo war office, and lifted the veil of secrecy which has enshrouded the struggles within the Imperial Japanese army between various cliques. The murder of Gen. Nagata, according to the writer of the article, was an indication of the seriousness of the situation now prevailing in Japan—a situation which may at any time result in Japan's suddenly launching a war somewhat in the manner of Mussolini's present invasion of Ethiopia. The following paragraphs from Gen. Haushofer's article are reproduced from a translation published in a widely read British journal,

"Today Japan is in the most difficult situation the country has experienced in the whole of its modern history. The agricultural difficulties are beginning to develop into a serious danger to the country's vigor and unity. The industrial and export boom is beginning to show disturbing and contradictory features. The State finances swept along on the ever-rising tide of armaments, are rapidly approaching a serious crisis. In addition there are Japan's foreign political difficulties with powerful States and these difficulties contain the germs of great dangers.

"In this difficult situation Japan is without political leadership. The Japanese Government represents a new mixture of military bureau cratic, capitalistic and party tendencies without any inherent cohesion and capacity to make decisions.

"Those elements which might be suited to take over the leadership are instead wasting their time and energies in mediaeval romantic conspiracies.

"Anyone who closely follows developments in Japan must be aware that this situation of contradictory tendencies cannot last much longer; that internal decisions must finally be made; that the present situation of drift cannot continue and something must be done about the deadlock in domestic politics.

"During the course of a few years the army estimates have increased to 47 percent of the budget. Owing to this military expenditure Japan's public debt has increased during the course of the past four years to ten billion yen (Yen 10,000,000,000), a sum which many experts consider to be the utmost limit possible. There is no doubt that the further demands which will inevitably be made by the military must lead to a serious economic and financial crisis. The army has placed these enormous demands on the Japanese economic system at a time when Japanese agriculture and the Japanese peasant-farming class are already suffering unparalleled difficulties. Despite great industrial development, most of the population of Japan still subsists on agriculture. The industrialization of Japan has been built on the backs of the peasants, who are the victims of the rich and powerful (and feudalistic) financial and commercial institutions.

"The army people are in constant fear that clever agitators will place the blame for the present situation upon the military authorities. These desperate conditions in Japanese life are responsible for the deep intagonisms between the military cliques in the army. They are the natural result of the diversity of opinions concerning the various possibilities, proposals, methods and rate of progress in the attempts to find a way out of the complications. In the beginning various groups of officers were held together by the fact that their members came from the same distrihts. This phase now belongs to the past although, for instance, the backbone of the Araki group consists of officers from the province of Saaga. The chief groups at present in existence are the group of the War Minister of the Hamaguzi government, the group around General Ugaki and the group around General Araki. Amongst the members of the first group are Lieutenant-General Terachi, the commander of the 4th Division; Lieutenant-General Sugiana, commander of the air force; Lieutenant-General Ninomia, commander of the 5th Division; Lieutenant-General Sionroku Hata, commander of the Artillery, Lieutenant-General K. Hagasi, chief of the Supplies Department in the Japanese War Office and Lieutenant-General Furuso, chief of the First Department of the General Staff. Amongst the members of the Araki group, which succeeded in ousting the Ugaki group, are General Kwuto, commander of the Kwantung army; General Agata, chief of the technical troops; General Masaki, member of the General Staff; General Kagasima, commander of the Formosa army; the commanders of the 2nd, 6th and 10 Divisions, Generals Dsiro Tamon, Hirosa Sekamoto and Komada; Lieutenant-General S. Hata, commander of the Imperial Guard; Lieutenant-General Kóiso, chief of the military police; and dozens of others.

Space is not available for a further reprint of Gen Haushofer's article, but he forecasted that a failure of Gen. Hayashi, former Minister of War, to achieve his ambition of "unifying" the army might have either one of two results: First, it might result in the demoralization of the army and the breakdown of discipline in the officers' corps. On the other hand there was the more dangerous possibility that the Hayashi group, with the financial and court groups behind him might reach the conclusion that it would be the lesser of two evils to risk a war on the continent. This would put an immediate end to the possibility of of military demoralization. On the other hand the General. Araki faction might itself force the issue by staging a coup at the front—Manchurian, Mongolian or Chinese? That the situation is critical needs no further explanation.

It is still too early to forecast the outcome of the series of military conferences which the Japanese army has inaugurated at Dairen, Tientsin, Peiping and Shanghai, with a meeting of naval officers, consular and diplomatic officials thrown in for good measure at Shanghai during the latter part of the present monh. The Dairen conference, most important of the series, met on Oct. 13 and adjourned on Oct. 16, immediately following which most of the officers attending boarded the steamer for Tientsin where a further session will be held. The main figures at the Dairen meeting were Major-General Yasuji Okamura, Director of the Second Department of the Army General Staff; Major-General Hayao Tada, Commander of the Japanese troops stationed in North China;

Major-General Seishiro Itagaki, Assistant Chief of Staff of the Kwantung Army and Major-General Rensuke Isogaya, Military Attache, stationed at Shanghai. In addition the conference was attended by Yosuke Matsuoka, recently appointed President of the South Manchurian Railway Company, which apparently is making preparations to advance southward from the Great Wall along with the Imperial Army. Lt. Col. Hiko Saburo Hatta, Military Attache at Moscow was also expected to attend, but it is not known wether he did.

Of major significance in connection with the various statements issued by Major-Gen. Okamura was his declaration circulated by *Rengo* on Oct. 14 to the effect that he had described to the commanders of the Japanese troops stationed on the mainland, the attitude of the General Staff on questions in the Far East and on the International Situation *centering on the Italo-Abyssinian dispute.* In other words, Japan's so-called "new policy" toward China, recently adopted after considerable discussion by the Tokyo Cabinet, is not, strictly speaking a new policy, but an intensification of old established military polices which have been revamped as a result of the Italo-Abyssinian crisis. This was confirmed by a declaration of Goro Morishma, Chief of the East Asia Burean of the Tokyo Foreign Office, who arrived in Shanghai on Oct. 14 for the purpose of presiding at a conference of Japanese consular and diplomatic officials scheduled to be held in Shanghai shortly. Like Major-Gen. Okamura, who was sent to the Continent for the purpose of acquainting the commanders of the Japanese forces with the details of the new policy, Mr. Morishima was sent to China with the same object in view: to inform the consular and diplomatic officials of the latest details of Tokyo policy. In an interview which appeared in the Shanghai *Evening Post* on Oct. 14 Morishima declared there had been no fundamental change in Japan's policy toward China, but that there would be certain changes in the details of application. Continuing, the Japanese diplomatic spokesman said that the nature and extent of these alterations could not be revealed but it was believed to be predicated on the assumption that European nations "are now so preoccupied with the Italo-Ethiopian conflict that Japan will have an even-freer hand in the future than in the past in the Far East."

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The Japanese newspapers in Shanghai have been even freer in their prediction of more drastic Japanese policies in consequence of the virtual withdrawal of European power from Eastern Asia. The local *Mainichi* declared that Japan was not worried about whether the League would be able to obtain unified action against Italy, but that the situation in Europe was growing more and more unstable leading in the direction of a state of semi-war. "Under present conditions," said the editorial, "there is no room for European powers to be interested in the Far East. . . . . China has gained nothing from depending on the League. . . What does China think of the present situation in Europe. . . . The League is European and has again revealed its weakness even in trying to apply sanctions against a European member. . . . . No European power can grant China a loan: . . . Peace in the Far East must be based on close cooperation between Japan and China. . . . . Sino-Japanese rapprochement cannot be an empty slogan only. . . . The relationship between Japan and China is different from that between China and European and American powers. . . . China and Japan must be connected heart to heart, even beyond the limit of formal treaties and agreements. . . . . This is what is meant by real rapprochement between the two countries."

With special reference to North China, Major-Gen. Okamura was quoted in the Japanese newspapers as declaring there could be no complete economic cooperation with Japan until there had been a fundamental political alteration of the five northern provinces with respect to their relations with the Central Government at Nanking. According to the *Mainichi* (Oct.. 13) the Dairen conference decided that "before economic coopera- is carried out, some revisions in the political structure of North China are necessary." The *Shun Pao* reported on Oct. 14 that the Japanese intended to put the economic development of North China on a "military basis" by organizing a so-called "economic general staff," which will be a joint enterprise of the Kwantung army and the South Manchuria Railway.

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One cannot escape the feeling that while Japanese activities in North China, present and pending, are motivated by considerations of economic and territorial aggrandizement, there are other and possibly still more important considerations which are responsible for the haste with which Japan is moving. These other considerations undoubtedly are concerned with Japan's relations with the Soviet Union which have steadily grown worse to the point where clashes on the Manchurian-Siberian border are of frequent and ever-increasing seriousness. Japan also professes to be alarmed over the alleged growth of the red menace in the northwestern territories, Shensi, Kansu, Shansi, where considerable numbers of Chinese red troops have fled from Szechuen province. Under ordinary conditions the poorly-armed red-bandit troops which have escaped from Szechuen province into Kansu, Shensi and Shansi provinces could not be of any effect in interfering with Japan's well-equipped legions, but in the event of war between Japan and the U. S. S. R., the Chinese red forces on Japan's flank might become a serious proposition, particularly if they were in contact with the well-drilled and equipped troops of Outer-Mongolia. This explains the frequent mention of "cooperation" against the reds which appears in the Japanese reports regarding their activities in North China. A *Rengo* message from Tokyo on Oct. 12 stated that "prevention of the sovietization of North China and Mongolia and collaboration among Japan, China and Manchukuo in the economic development of the northern provinces were the crux of Japan's new policy toward China. This is supposed to have con-

sitituted the chief element in the declaration of policy which Koki Hirota, Foreign Minister, conveyed to Gen. Chiang Tso-ping, Chinese Minister prior to Chiang's departure from Tokyo on his return to Nanking. When Japan speaks of the "assumption of responsibility by China and Japan for the maintenance of peace in the Far East," her main objective is an alliance against the Soviet Union,—or the United States, or both! The Japanese also are worried at Gen. Chiang Kai-shek's action in sending Marshal Chang Hsueh-liang's troops to the Northwestern territories, the reason for this enxiety being the fear that Chang's troops might menace Japan's position on the western Manchukuo and Mongolian borders.

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What are Japan's present demands? In last week's issue of *The Review* (Oct. 12) there appeared several versions of Japan's latest "new policy," as reported by the Japanese newspapers following the Tokyo Cabinet discussions which took place during September. Now, as a result of the military conference in Dairen and pending conferences of similar nature scheduled for Peiping, Tientsin and Shanghai, the air is filled with rumors regarding fresh Japanese demands which allegedly have been presented at Nanking or are scheduled for presentation shortly. First it was reported that the Japanese had handed Wang Ching-wei, head of the Executive Yuan, a so-called "8-point" program, covering Japan's idea of what the relations of the two nations should be, but the list of rumored demands now far exceeds any 8-point program as the following indicates:

1—Discontinuance of all negotiations with Sir Frederick Leith-Ross, British financial adviser now in China.

2—Financial independence for five northern provinces, Hopei, Shantung, Shansi, Chahar and Suiyuan.

3—China's resignation from League of Nations.

4—Recognition of Manchukuo.

5—Cooperation between China, Japan and Manchukuo in the creation of Far Eastern political-economic "bloc."

6—Demilitarization of five coastal provinces, Kwangtung, Fukien, Chekiang, Kiangsu and Shantung.

7—Establishment of through passenger and freight services between Mukden and other points in Manchukuo and all points in the Yangtsze valley, leading to handing over of all northern Chinese railways to management of Japanese South Manchuria Railway.

8—Discontinuance of all anti-Japanese activities throughout China.

9—Office of "generalissimo" to be abolished and military authority to be centered in war ministry under Gen. Ho Ying-chin, but actual authority to be centered in Executive Yuan.

10—Dismissal of Marshal Chang Hsueh-liang and withdrawal of his troops from Shensi and other points in Northwest.

11—Full and frank Sino-Japanese cooperation in suppression of Communism, particularly in Northwestern provinces.

12—Japanese observers to have right to attend meetings of forthcoming Kuomintang Congress in order to determine whether China is acting in good faith.

13—Complete abandonment on China's part of dependence on American or European support in fields of politics, economics, finance.

This list of alleged demands, compiled chiefly from the Japanese newspapers in Shanghai, Dairen or in Japan, probably should be labeled as "Japanese Desires," rather than *demands* because officials of the National Government were stated to have denied that any new demands have, as yet, been presented. However, the Chinese *Chekiai Agency* on Oct. 16 reported that Akira Ariyoshi, Japanese Ambassador had requested an appointment with Wang Ching-wei for the purpose of discussing Japan's new policy. Perhaps the best indication of the scope of the new policy was contained in a *Reuter* report from Dairen on Oct. 17 stating that the Japanese army intended to regard North China as a "Sino-Japanese cooperative area," and that the Chinese Government should be presented with demands that all causes of trouble in the North "be uprooted." In the event of Nanking's failure to satisfy this demand, the Japanese army "would insist on the divorce of North China from Nanking, including withdrawal of central government troops and complete severance of financial relations." In the face of this situation it actually makes little difference whether Japan has presented six, eight or a dozen demands. The main point to be kept in mind is that the Japanese are taking advantage of the present crisis in world affairs to establish a military protectorate over the Chinese Republic. When this point is fully realized the matter of specific demands is of little consequence and can have little effect on the ultimate outcome. This is the fundamental problem which faces the Chinese people and their friends in other parts of the world!

Dairen Conference Envisages "Divorce" of North China from Nanking

Among the decisions reached at the recent conference in Dairen of staff officers of the Japanese General Staff at Tokyo, the Kwantung Army and the Japanese garrison in North China, was one that plans should be pushed for the conversion of North China into "a Sino-Japanese co-operation area" and that, at the same time, the Chinese Government should be presented with a demand that all causes of trouble in the North be uprooted.

It was decided that, in the event of the Chinese Government failing to satisfy this demand, the Japanese Army should insist on the "divorce of North China from Nanking, including the withdrawal of Central Government troops and complete severance of financial relations with Nanking."

The conference also decided that, "inasmuch as the Central Government at Nanking was recognized by the Powers, Japan should deal with that administration, but only on condition that its dual diplomacy—co-operation with Japan on the one hand, and resistance on the other—should be abandoned".

The conference is also stated to have considered plans for countering "possible unity among the Chinese Communist Party, the Outer Mongols and the Soviet authorities", which, it was declared, would "precipitate a grave situation."

Japanese consular and diplomatic officials in North China will gather for a conference here on or about October 25.

Goro Morishima, chief of the first section of the Bureau of Asiatic Affairs of the Gaimusho, who is now in Shanghai; Kaname Wakasugi, councillor, in charge of the Peiping Office of the Embassy; Tateki Horiuchi, first secretary, Shanghai; Yakichiro Suma, Consul-General at Nanking; Shigeru Kawagoe, Consul-General here; Kochi Nishida, Consul-General at Tsinan and Akiyoshi Tajiri, acting Consul-General in Tsingtao are among those expected to attend.

Masayuki Tani, councillor of the Japanese Embassy in Changchun, who is now on a trip through southern Manchukuo and North China, may also be present in the capacity of an observer.

Geneva Committee of Eighteen Approves Financial Sanctions Against Italy

EVENTS of great importance in connection with the Italian-Ethiopian dispute have followed in rapid succession during the past week. The principal blow to the Ethiopian cause was the deflection to the Italians of a powerful Ethiopian chieftan, Baile Selassie Gufza, who deserted on the northern front with 12,000 men. The traitor's men were reported to possess 12,000 rifles and a hundred machine guns. Gufza is the brother-in-law of the Emperor. The deflection of this chieftain means that the Italians are in virtual possession of the province of Makala. It is alleged that the Italian general, Del Bono, in addition to his military prowess offers monetary and other advantages to the Ehiopian chieftains to induce them to desert. Another blow to the Ethiopian cause was that Aksum, the historic holy city of Abyissinia, where all Abyssinian emperors have been crowned, has been captured by the Italians. It is predicted that in due course they will install Gufza as Emperor.

One of the serio-comic incidentals to the conflict is that when the Italian Minister at Addis Ababa, Count Vinci, was ordered to leave the capital he hid himself in a cellar so as to avoid being sent by the special train which the Ethiopian Government had prepared for him and other officials. Later he was "arrested" by the Ethiopian government. He has made it known that he will not leave unless ejected by force. It is believed that Count Vinci is staying at Addis Ababa under orders from Rome so that he may act on behalf of Mussolini should events ever come to the stage where negotiations for peace would be started. Signor Mussolini has thrown out hints to both England and France that he is willing to negotiate concerning Ethiopia on the basis of the tripartite agreement made in 1906. This treaty dates long before the League of Nations was inaugurated.

The French government has asked Great Britain to withdraw her home fleet from the Mediterranean as a gesture which might facilitate efforts towards conciliation between Italy and Ethiopia. Great Britain, through its Paris envoy is reported to have agreed not to press for application of more severe sanctions through the League of Nations for a period of ten days, pending receipt of Signor Mussolini's response to M. Laval's latest plea in which he asked Mussolini to outline the minimum concessions he would accept as a consideration for ceasing hostilities in East Africa.

Although the Ethiopian troops have effected various minor successes at border points, the net effect of the week's operations is that the Italians, with cries of "Avanti," have reaped huge gains. Eighteen thousand Ethiopians have been killed in desperate battles in the Gerlogubi district, according to reports telephoned by European engineers working in Ogaden province to the Djibouti correspondent of the London *Daily Mail*. A bloody battle took place on Saturday, in which 4,000 Ethiopians were killed in the town of Daror alone. Nearly 200 Italian fighting planes, including a large number of bombers, have supported the advance of the forces of Gen. Graziani. The plane attack was followed by an advance of tanks. The engineers added that the Italian forces had penetrated into Ethiopian territory for a distance of 31 miles, with their lines extending from Wal Wal to Damot. Vast Ethiopian reserve forces, however, have been concentrated at Jioiga, and in the area of Harar and Tomsa. These forces are directed by foreign military advisors—the Turkish General Wehib Pasha, the German officer Von Loeben, and the German-Turkish officer Radir Pasha.

The greatest set-back which Italy has sustained has not been on the field of battle, but in the realm of diplomacy.

Financial sanctions against Italy, which include a ban on all loans, bank and other credits to the Italian Government, public authorities, persons or companies, were approved at a plenary meeting of the Sanctions Co-ordinating Committee in Geneva, Oct. 14. The financial sanctions, which had been prepared by a sub-committee of experts and subsequently approved by the Committee of Eighteen, are as follows:

1.—The Governments concerned will take immediate steps to render impossible the following operations:

2.—All direct or indirect loans to the Italian Government, or all subscriptions to loans issued in Italy or elsewhere, directly or indirectly by the Italian Government.

3.—All banking credits or others destined directly or indirectly for the Italian Government, as well as for future execution through advances, over-drafts or by any other means, of all loan contracts granted directly or indirectly to the Italian Government.

4.—All loans intended directly or indirectly for public or individuals, actual or hypothetical, established on Italian territory, as well as all subscriptions to any such loan issued in Italy or elsewhere.

5.—All banking credits intended directly or indirectly for public bodies or individuals, actual or phyothetical, established on Italian territory as well as the subsequent execution through advances, overdrafts, or any other means, of all contracts for loans intended directly or indirectly to their advantage.

6.—All issues of shares, or calling up of capital to the benefit of public bodies or individuals, actual or hypothetical, established on Italian territory, as well as subscriptions to such shares, or calling of capital effected in Italy or elsewhere.

7.—The governments will forbid these operations, whether effected directly or indirectly, or through an intermediary of whatever nationality.

8.—Credits, however, for humanitarian or religious purposes, are not included among the operations to be forbidden.

9.—Each government is invited to make known to the League of Nations, with as little delay as possible, the steps they are prepared to take in conformity with the above mentioned dispositions.

The financial sanctions, do not interfere with private banking or their deposits abroad, or payments of instalments on loans already issued, but not fully transferred. They prevent, however,

the issue of the second portion of any loan, even if the first section has been handed over.

Public opinion in America over the stand the United States should adopt toward the Italo-Ethiopian quarrel is divided into two main camps. There are those who cling to the policy of "splendid isolationism," and others who, like President Roosevelt, are champions of the League of Nations and the attitude taken by Great Britain.

Writing from Paris in the *Washington Star*, Edgar Ansel Mowrer says:—The clearest lesson to be learned from Italy's move, if there is one, is the inherent menace of fascism. The Fascist Society is a totalitarian state guided by a few irresponsible self-appointed chiefs, who are inspired by militant nationalism and the cult of violence. This implies contempt for the values on which what is left of contemporary civilization is based—contempt for peace, tolerance, mercy, objective truth and impartial justice, individualism, self-government and world organization.

Japan Remains Aloof on Sanctions Issue

Holding that it is in opportune for Japan to define her attitude towards the League of Nation's plan to apply sanctions against Italy, the Tokyo Foreign Office authorities are assuming an aloof stand towards the issue. This is particularly so, diplomatic observers in Tokyo pointed out, in view of the fact that united collective action against Italy cannot be expected as a result of the declaration of Austria, Hungary, Switzerland and Albania that they could not participate in coercive measures.

Japan Watches the Situation—Does Not Commit Herself

Sir Robert Clive, British Ambassador to Tokyo, called on Mamoru Shigemitsu, Vice-Minister of Foreign Affairs, in Tokyo Oct. 4 and exchanged information on the Italo-Ethiopian issue.

The British Ambassador put the following question to Mr. Shigemitsu: "In case the League applies the stipulation of sanction against Italy, what attitude does Japan intend to take?"

Replying to Sir Robert, Mr. Shigemitsu made a counter-question:

"The present issue is not restricted to Italy and Ethiopia. And when the League and Italy and Ethiopia have pressing relations, what steps does Britain, a member country, intend to take?"

The British Ambassador, according to the *Hochi* evaded a clear reply. Here Mr. Shigemitsu stated: "So long as the League, and Britain which is concerned in the matter, do not clarify their attitude, there is no reason why Japan, a non-member state, should clarify her attitude. But Japan is at present calmly watching the situation with cautious attitude."

Italy Buys 10,000 Tons of K. M. A. Coal

Italian purchasing agents recently placed an order with the Kailan Mining Administration in Tongshan for the purchase of 10,000 tons coal. The consignment is being shipped from Chinwangtao to Italy aboard an Italian freighter.

War Leads to Heavy Japanese Buying of Australian Wool

The War in East Africa has been reflected in Japanese orders for Australian wool, with said country leading the world in purchases from the Dominion during the first week of October.

China Will Uphold League Covenant

China's attitude vis-a-vis the Italo-Abyssinian dispute will be one of firm upholding of justice and strict adherence to the League Covenant, a spokesman of the Waichiaopu declared in an interview at Nanking, Oct. 11.

Defence of Peace Demands Joint Efforts, Says "Pravda"

Moscow *Pravda* Oct. 5 commented:—"The defence of the cause of peace demands joint, unanimous efforts by all adherents of collective security. The position of the Soviet Union is well-known—the consistent defence of peace and the freedom of nations. Our proletarian State took a negative stand in regard to the imperialistic cravings of Italian Fascism and neither can the Soviet Union support proposals for a protectorate over Abyssinia in view of their clearly imperialistic nature, but the Soviet Union will do everything to assist in securing a really peaceful solution of the conflict."

Germany Prepares to Wihtdraw—Outstanding League Dues Paid in Geneva

It was announced in Geneva Oct. 12 that the German Government had paid all its outstanding dues to the League of Nations, amounting to 5,000,000 gold francs. Germany's withdrawal from the League on Oct. 21, at the expiration of her two years' notice of intention so to do, will therefore become effective.

Boycott of Italian Goods Urged in Bombay

A severe condemnation of Signor Mussolini's "imperialistic aggressive policy" was voiced at a public meeting held in Bombay, Oct. 12, at which the mayor presided. A resolution was passed urging India not to supply Italy with war materials or commodities, and urging that Italian goods be boycotted in order to make economic sanctions applied by the League of Nations as effective as possible.

Japan Opposes London's Disarmament Proposal

Rengo stated Oct. 9 that Japan is and will remain unalterably opposed to the British proposal for the mutual notification of naval building among the great Powers. This decision was reached following the call made by Sir Robert Clive, British Ambassador in Tokyo, at the Gaimusho on Oct. 5, at which he expressed Whitehall's agreement to shorten the effectiveness of the notification provision from six to one or two years.

Soviet Delegate Proposes That America Be Invited to Take Part in Sanctions

At the session of the coordination committee which was held in Geneva, Oct. 14 for the discussion of problems pertaining to economic sanctions, M. Potemkin, Soviet delegate, pointed out the desirability of inviting the United States Government to place an embargo on certain other articles above those provided for President Roosevelt's list.

Italian Envoy Entertains at Peiping

Signor Vincenzo Lojacono, Italian Ambassador to China, gave a dinner party Oct. 16 at the Italian Embassy in honor of leading Chinese officials and foreign diplomats.

Hongkong Chinese Volunteer for Red Cross Work in Ethiopia

The St. John's Ambulance Brigade of Hongkong is arranging to send a detachment of Red Cross workers to Ethiopia. The brigade has more than 150 Chinese nurses and 350 men workers, all of whom are fully qualified in first-aid. Many of those enrolled in Hongkong served at Shanghai in the Sino-Japanese conflict of 1932.

Capain Yoshida Appointed Captain of Crack New Japanese Cruiser

Captain Yoko Yoshida has been detailed for duty as commander of the newly-built second-class Japanese cruiser *Suzuya*.

The new cruiser is the third of a new type of warship that is figuring prominently in present American-Japanese rivalries. She is to be one of six 8,500-ton cruisers the Japanese hope to have completed before the end of 1937, and despite her classification as "light" will be one of the most heavily armed fighting ships afloat, excepting, of course, capital ships.

Two older sisters of the *Suzuka*, the *Mogami* and the *Mikuma*, were launched in March and May of last year, respectively, and should be completed during 1936. The fourth, the *Kumano*, was laid down last Summer. Two others, as yet unnamed, are to follow, with their completion scheduled for 1937.

These ships will go as well protected as almost any cruiser afloat. The main armament consists in each case of fifteen guns of 155 millimetres (6.1) inches, the absolute limit permitted their class and the latest word in naval gun designs, arraved in five triple turrets. They will also carry eight 5-inch anti-aircraft guns, six machine-guns and twelve torpedo tubes, far more than any other light cruiser of to-day carries.

The *Suzuya* is designed for a speed of 33 knots. She is 625 feet long, only 5 feet less than the length of the *Maya*, newest of Japan's A-class cruisers, and 59 1-2 feet in beam, 3 feet less than the *Maya*. Her engines will develop 90,000 horsepower. Her cost is estimated at 41,000,000 yen.

Japanese Adopt Measuses to Prevent False Trade Mark on Japanese Goods

The *Shanghai Nippo*, referring to the custom of Chinese traders to put Chinese trademarks on Japanese goods during the period of boycott against Japanese commodities, mentioned recently that although cooperation between Japan and China is increasing, the Chinese traders continue to place false trademarks on Japanese commodities now also. Therefore, on the initiative of the Japanese authorities, an organization to determine whether of not trademarks are genuine will be inaugurated for the improvement of Japanese imports. Similar organizations, it is stated, have been created in Tientsin and Hankow for the same purpose.

Japan's New China Policy Conveyed to Officials in Nanking Gen. Chiang Kai-shek Returns to Capital

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Japan's New China Policy Explained at Dairen Military Conference.**
2. **Morishima Conveys Details of New Policy to Japanese Diplomatic Representatives.**
3. **Permanent Organizations for Sino-Japanese Economic Co-operation to Be Formed.**
4. **Japanese Economic Mission Visits Tsinan and Tientsin.**
5. **Chinese Troops in Eastern Jehol Rise in Revol Against Japanese.**
6. **Amicable Settlement of Mongolian Dispute Expected Soon.**
7. **Gen. Chiang Kai-shek Confers With Government Leaders at Nanking.**
8. **Wuchang Military Headquarters to Be Transferred to Chungking.**
9. **Center of Anti-Red Activities Shifted From Szechuan to Kansu.**
10. **Conflict Between Canton and Nanking Looms, Japanese Report.**

Unity in the discharge of their duties was urged by Major-General Okamura, of the Imperial General Staff at Tokyo, at the opening in Dairen Oct. 13 of the conference of staff officers of the Kwantung Army and the Japanese garrison in North China. General Okamura, who attended the conference with the express purpose of explaining Japan's China policy, said it was vitally essential that all Japanese forces should "clearly understand and appreciate Tokyo's attitude." The officer elucidated the views of the Imperial Government both in respect of the China and world situations, and dwelt on the Italo-Ethiopian conflict and its possible bearing on the Far East. Before the conference opened Major-General Okamura conferred for an hour with Mr. Matsuoka, president of the South Manchuria Railway Co., presumably to secure an understanding in connection with the Army's policies.

Changes in the Japanese policy towards northern provinces were decided upon at the afternoon session of the conference. The session was attended by Mai.-Gen. Hayao Tada, Commander of the Japanese forces in North China; Maj.-Gen. Seishiro Itagaki, assistant chief of staff of the Kwangtung Army; and Maj.-Gen. Rensuke Isogai, military attache resident in Shanghai.

The conference ended Oct. 14 in complete understanding and accord, according to a *Reuter* report. The conferees agreed among other things to give undivided support to Tokyo's policy towards China. They also agreed that it was not necessary at present to formulate any new policy, but that it was essential to carry out wholeheartedly a fixed Japanese foreign policy especially towards China. The security of the "Manchukuo" frontier against Chinese agents and questions involving Outer Mongolia and Soviet Russia also came under discussion, but no details have been revealed.

Following the conference, Major-General Okamura, General Tada, and Maj.-General R. Isogai, left for China, while Major-General Itagaki left for Changchun. Maj.-Gen. Yasuji Okamura arrived at Tientsin Oct. 15.

Prevention of the sovietization of North China and Mongolia and collaboration between Japan, China and Manchukuo in the economic development of the northern provinces will be given as the crux of Japan's new policy towards China, when Koki Hirota, Foreign Minister, sees General Chiang Tso-pin, Chinese Ambassador, prior to the latter's departure for China next month to attend the Sixth Plenary session of the Central Executive Committee of the Kuomintang, according to a *Rengo* dispatch from Tokyo Oct. 12.

MORISHIMA CONVEYS NEW CHINA POLICY TO JAPANESE OFFICIALS IN CHINA

Coming on a mission of conveying the new China policy recently formulated as the result of conference of the Japanese Army, Navy and Foreign Ministries, Goro Morishima, chief of the First Section of the Oriental Affairs Bureau of the Japanese Foreign Ministry, arrived in Shanghai from Tokyo Oct. 13. He expects to stay in Shanghai for a week during which he will convene a conference with Akira Ariyoshi, Japanese Ambassador to China; I. Ishii, Japanese Consul-General in Shanghai; Y. Suma, Japanese Consul-General in Nanking, and Japanese consuls in Canton, and Hankow at which he will convey the new China policy and discuss measures for carrying it out. He will then proceed to Nanking to visit Chinese Government leaders after which he will return to Japan via North China and Manchuria.

The visit to China of Mr. Morishima marks a step taken by the Tokyo Foreign Ministry in coordination with the Japanese Army and Navy Ministries. The latter two Ministries are understood to have also sent their respective representatives to China to convey the new China policy to men of their respective fields in this country.

JAPANESE AND CHINESE FINANCIERS TO FORM ORGANIZATIONS FOR COOPERATION

Formation of permanent organizations for the promotion of Sino-Japanese economic co-operation was decided upon at the first meeting of a co-ordination committee of six leading Chinese and Japanese financiers in Tokyo Oct. 11. Under the terms of the agreement concluded at the meeting formal meetings of promoters of the Sino-Japanese Industrial Association will be held simultaneously in Tokyo and in Shanghai. Final decision is, however, being withheld until the Chinese representatives return home. The project provides for the election of a president for each body, while a convention, comprising representatives from the two organizations, will be held once a year.

Members of the Chinese Economic Mission arrived at Osaka Oct. 15, from Tokyo. The mission will continue its visits in Osaka, Kyoto and Nagoya, meeting financiers and businessmen in those cities.

JAPANESE ECONOMIC MISSION VISITS TSINAN AND TIENTSIN

The Japanese Economic Mission arrived at Tsingtao Oct. 13. The party spent a busy day in visiting the various Chinese and Japanese organizations in the city and left for Tientsin the following morning. The chief purpose of the Mission, according to a spokesman of the party, is to study the present economic conditions in China, particularly in the field of agriculture.

Members of the Japanese Economic Mission arrived in Tientsin from Tsinan Oct. 14, and left for Peiping the following day. The party is scheduled to leave Peiping for Kalgan on the morning of the 19th.

The Japanese Industrial Conference will be held in Shanghai on October 18, according to Japanese reports. Prominent Japanese industrial engineers are coming to Shanghai from Japan on October 17 on board the *s.s. Nagasaki Maru*. The conference will last four days. After the conference, the Japanese delegates will go to North China and Manchuria for a trip.

The Far Eastern Economic Association will be formally inaugurated during the week in Tientsin for the introduction of foreign capital into North China. The promoters of the Association are actively making the plans for the inauguration of the Association and are discussing the same with Japanese officials.

CHINESE TROOPS IN JEHOL FIGHT JAPANESE

Fierce fighting is reported to be raging in the vicinity of Chaoyang, Jehol Province, where Chinese residents have organized an uprising against the Japanese troops. Over 3,000 Japanese troops, have been hurriedly despatched to Chaoyang to quell the outbreak, and several passes along the Great Wall are now divested of garrisons.

The cause of the revolt of the people in Chaoyang and Chengtien in Jehol is due to actions of the Japanese troops in compelling the people to cultivate poppies, according to a *Sin Wan Pao* report.

PLAN TO AMALGAMATE WAR ZONE AREAS CONSIDERED

Dealing with reports to the effect that the Chihsien-Miyuan administrative area will shortly be amalgamated with the Luantung area, *Reuter* reports that the matter is still under consideration by the Hopei provincial administration and that, before the proposal is carried out, it has to be approved by the National Government. Captain Su Yu-chi, administrative inspector for the Chihsien-Miyun area, is reported to have offered his resignation to General Shang Chen, Governor of Hopei. If this post is abolished, Yin Ju-keng, administrative inspector for the Luantung area, will be appointed inspector for the whole Demilitarized Zone.

Pei Chien-wu, a notorious bandit chieftain who staged a riot at Pengtai several months ago, is now again attempting to create disturbances at Tsunhua with a band of bandits whom he has recently gathered in the Demilitarized Zone.

In a press interview Oct. 13 General Shang Chen, Chairman of Hopei, denied rumors of a conflict between himself and General Sung Cheh-yuan.

Shanghai Mainichi reports that the question concerning the anti-Japanese agitation by the Wuhan Garrison Headquarters has been successfully settled following protracted negotiations between the Japanese Consul-General at Hankow, and General Chang Chun, Chairman of Hupeh. The demands on the part of the Japanese have been completely accepted by the Chinese authorities.

A request to suppress the anti-Japanese movement in Yunnan was conveyed Oct. 7 by Yakichiro Suma, Japanese Consul-General in Nanking to Tang Yu-jen, Vice-Minister for Foreign Affairs. Mr. Tang has reportedly said that he regretted to hear of the recurrence of anti-Japanese acts in Yunnan, and promised Mr. Suma to institute an official inquiry. If this shows the existence of an anti-Japanese movement, he reportedly said, the Government will take steps against it.

ANTI-JAPANESE HANDBILLS AT NATIONAL ATHLETIC MEET

Hundreds of anti-Japanese handbills bearing the inscription "Down with Japanese Imperialism" which were distributed at the National Athletic Meet on October 13, are said to have been the work of the Communists, reports *Shanghai Mainichi*. On October 9, anti-Japanese slogans were written on the walls of a building on Hankow Road, which is owned by a Japanese Company.

AMICABLE SETTLEMENT OF MONGOLIAN DISPUTE EXPECTED SOON

The 3rd plenary meeting of the Mongolian Local Autonomy Political Affairs Council was formally opened at Pailingmiao on the 9th inst. Due to lack of a quorum, however, the regular sessions will be delayed. Of the 28 members of the Council, only 2 were present at the opening ceremony.

Reuter reports that there is hope for an amicable settlement of the dispute between the Mongolian Political Council and the Western Banner over the dismissal of Prince Dorlchi. Both Princes Yun and Teh, Chairman and Secretary-General of the Council respectively, are said to have modified their stand and now no longer insist on the dismissal of Prince Dorlchi. They are quoted as saying that Prince Dorlchi may retain his hereditary position as head of the Western Banner but in view of his past misdeeds he should be suspended from office for a short period.

General Chin Shu-jen, ex-Chairman of Sinkiang Provincial Government who was serving a sentence in the First Model Prison in Nanking, was released from his imprisonment Oct. 11 following a special pardon by the National Government on the National Anniversary day.

GENERAL CHIANG KAI-SHEK CONFERS WITH GOVERNMENT LEADERS AT NANKING

General Chiang Kai-shek, President of the Military Affairs Commission, arrived at Nanking from Taiyuan, provincial capital of Shansi, in the afternoon of Oct. 14 by airplane. General Chiang in the lourse of last week visited Sian, Loyang, Kaifeng and Chengchow. He flew from Kaifeng to Taiyuan on Oct. 13 and after conferring with General Yen Hsi-shan, returned to the Capital for a visit.

The presence of Generalissimo Chiang Kai-shek in Nanking has drawn many important government officials to the Capital. Among those who have arrived at Nanking from Shanghai are Wang Ching-wei, President of the Executive Yuan; Dr. H. H. Kung, Minister of Finance; Sun Fo, President of the Legislative Yuan; Tan Chen, Vice-President of the Judicial Yuan and Yang Yen-chao, representative of General Chen Chi-tang, Cantonese army commander.

Conferences in Nanking with Generalissimo Chiang as the central figure are believed to be centered, among other problems of importance, around the much-talked-of-Japan's new China policy known to have been brought to Shanghai by Goro Morishima, chief of the First Section of the Tokyo Foreign Office Bureau on Oriental Affairs.

Punitive measures against Shensi communists were discussed at Taiyuan Oct. 13 at a four hour conference between Gen. Chiang Kai-shek and Gen. Yen Hsi-shan, *Kengo* reported from Peiping. The two officials are also reportedly to have discussed Japan's possible attitude to the infiltration of communists into Suiyuan, Chahar and other portions of Inner Mongolia. Japanese officials in Peiping attach great importance to the conference in view of the reports that Gen. Yen is leading a movement in North China directed against the Central Government.

WUCHANG MILITARY HEADQUARTERS TO BE TRANSFERRED TO CHUNGKING

The Provisional Headquarters of the President of the Military Affairs Commission in Szechuan will be transferred from Chengtu to Chungking on November 1. With the establishment of the new Headquarters at Chungking, the present Headquarters at Wuchang will be abolished on the 20th inst. While part of the staff of the Wuchang Headquarters has been transferred to Sian for service at the newly created Commander-in-Chief's Headquarters of the Northwestern Bandit-suppression Forces, the majority of higher officials will proceed to Chungking to serve under the new Provisional Headquarters.

Acting upon the recent order of General Chiang Kai-shek, more than $20,000,000 worth of native banknotes have been issued by the Central Bank of China by the Szechuan Provincial Government.

The Mienyang-Tsutung section of the Szechuan-Shensi Highway was formally opened to traffic Oct. 12.

CENTER OF ANTI-RED ACTIVITIES SHIFTED TO KANSU

The scene of anti-Red activities in the Northwest has now shifted to Kansu, where the remnant Reds under Chu Teh, Mao Tse-tung and Hsu Hsiang-chien have fled from northwestern Szechuan. Acting under instructions of General Chiang Kai-shek, General Chang Hsueh-liang has dispatched the 75th Army under Lieut.-General Ho Chu-kuo and the 51st Army under General Yu Hsueh-chung to Kansu to prevent the escape of the marauders to northern Shensi. The campaign in northern Shensi has been entrusted to Lieut.-General Sun Chu, Field-Commander of the Bandit-Suppression Forces in northern Shensi. The Shansi brigade under Major-General Tao Chen-wu has recaptured the Red lairs at Iho, Hsiangping and Popossu along the Shensi-Shansi border.

Following their occupation of Minhsien, the Communists are advancing to the provincial capital of Kansu, Lanchow, *Shanghai Mainichi* reported Oct. 9. About 200,000 Government troops are stationed in the province of Kansu in order to fight against the Communists.

A party of British and American missionaries, some 28 in number, left Lanchow Oct. 12 and are bound for Peiping. The party left Lanchow in rafts made of goat-skin bladders, and will travel by this means as far as Paotu, from which point they will complete their journey by train. About nine American missionaries are remaining in Lanchow.

A telegram from General Hu Chung-nan Commander of the 1st Division reports that the Government cavalry

pursued the Reds to Pingliang on October 11. A portion of the fleeing Reds has passed through Chotzuchin, situated between Hwanhsien and Pingliang, which are about 40 miles apart. Fighting in northwestern Szechuan is taking place near Suiching, on the Takinchwan River, north of Tanpah. A group of Reds arrived at Chaiszecha, north of Suiching, on October 11. About one thousand Reds have been found Mt. Meihwa, overlooking the Takinchwan River, opposite Suiching.

According to *Shanghai Nippo*, the units under the command of General Chang Hsueh-liang are to be transferred to the following points:

1) The 57th Army under General Ho Chu-kuo: The 117th, 111th, 120th, 109th, 108th divisions under General Ho will be removed to the districts of Hwatin, Kuyuan and Lingteh in North Kansu.

2) The 51st Army under General Yu Hsueh-chung: The 114th, 118th and 113th divisions under General Yu will be transferred to the vicinity of Tien-sui in Kansu.

3) The 53rd Army under General Wan Fu-ling: The 119th Division will be sent to Tamin, Hopei, the 116th Division sent to Peiping and the 130th Division to Paotingfu.

4) The 67th Army under General Wang Yi-che: The 107th, 110th and 129th Divisions under General Wang will be transferred to the neighborhood of Yen-an in North Shensi.

All the Cavalry regiments under General Chang will be sent to the vicinity of Pingliang in North Kansu.

The most sanguinary fighting since the launching of the Shensi campaign against the "Reds" is reported from Kanchwan, northern Shensi, where the Government units under Major-General Ho Li-chung, Commander of the 110th Division, attacked the remnant bandits under Liu Tzu-tan and Hau Hai-tung. Descending from Fishih (Yen-an) on Kanchwan on the 2nd, units of the 110th Division encountered 7,000 "Reds" at Taiao Shan (mountain). A fierce engagement ensued during which both sides resorted to bayonet charges. On Sunday (the 6th) the Government troops launched a furious attack on the marauders, resulting in the killing of 1,000 outlaws. The rest of the bandits were put to flight in the direction of Shihmentze and Wangchaping, situated on the northern bank of the Lo Ho (River), with the Government forces in close pursuit.

With a view to strengthening the defence against the possible invasion of the province by the Communists, the Mongolian authorities in Ikchao League in Suiyuan have recently recruited a large number of cavalrymen and put up new defence work in the area of Nintiao and Yichen.

"SIN WEN PAO" ON COMMUNISTS'S ADVANCE TOWARDS KANSU

Commenting on the advance of the Communists from Szechuan to Kansu and Shensi instead towards Sinkiang, the *Sin Wen Pao* expresses the opinion that the Communists are keeping away from Sinkiang for three reasons, namely,

(1) That the presence of Communists in Sinkiang would establish a so-called 'International Route' and would inevitably give rise to serious misunderstandings between China and the U.S.S.R. and Great Britain and the U.S.S.R., a circumstance the Soviet Government does not desire just at the present time and therefore the Third International must have been instructed to refrain from directing the Chinese Communists to Sinkiang,

(2) That the area of Sinkiang is rich and large but the small population residing there is composed of different races having different religions and this fact makes it difficult for the Communists to spread their doctrine, and

(3) That the Communists have no desire to abandon their plan of causing disturbances in China proper and go to some border area as many people believe.

CONFLICT BETWEEN NANKING AND CANTON LOOMS, JAPANESE REPORT

According to *Shanghai Mainichi*, a tense situation has been caused by a circular issued by Hsiao Fu-chen and other leaders in the Southwest for the convocation of another Sixth Session of C.E.C. of Kuomintang at Canton, simultaneously with that to be held in Nanking. Due to the conservative attitude of General Chen Chi-tang, however, the anti-Nanking actipities are depeloping slowly.

Upon receiving the information of a separate meeting of C.E.C. at Canton, General Chiang Kai-shek immediately summoned General Chiang Pei-chen, his personal representative at Canton to Szechuan, in order to hear a detailed report on the matter. Meanwhile, part of the Central force, which is now engaged in the punitive campaign against the Communists, has been instructed to move secretly to the regions neighboring the southwestern provinces. Realizing that an armed conflict with Nanking is inevitable, the southwestern authorities are now endeavoring to strengthen their defence work in the region.

Shanghai Mainichi reports that one Mr. Chu has been sent by General Tsai Tin-kei to Tientsin as his representative to extend the organization of the League of Chinese National Rehabilitation, which has its headquarters at Hongkong. A Branch of the League is expected to be organized in Tientsin. The new organization is supported by many politicians who are dissatisfied with the present administration at Nanking. General Li Chi-sen, former Chairman of the Fukien People's Government, has also sent a representative there for the sam purpose.

The central headquarters of the Sin Kuomintang have been reorganizedd to cope more effectively with the present situation in the country, which will soon see a great change in view of the fact that all anti-Chiang Kai-shek cliques are quickening their activities. Tsen Sze-chun has been appointed a member of the standing committee of the central headquarters of the Sin Kuomintang, and will be responsible for all activities of the Party. As a graduate of the Wuhan Branch of the Central Military Academy, Mr. Tsen once closely cooperated with Teng Yen-ta, former leader of the Third Party who was shot many years ago. During the Fukien regime, Mr. Tsen was connected with the rebellious government as a member of the Third Party, and held the position of Director of the Political Department of the Third Army.

Lin Sen, Chairman of the National Government, was given a rousing welcome when he arrived at Foochow from Shanghai aboard the gunboat, *Haiyung*, Oct. 15.

In view of the approach of the date for the convention of the forthcoming Sixth Plenary Session of the Central Executive Committee, the various members of the Committee, who are now scattered in various parts of the country and abroad, are preparing to come to Nanking to attend the Session. General Chiang Tso-ping, Chinese Ambassador to Japan, has telegraphed the Ministry of Foreign Affairs, reporting that he is returning to China on the 21st. The Southwest delegation to the session consisting of Liu Lu-ying, Li Jen-chen, Huang Shu-chu, Teng Tsing-yang, Chun Chu-ju, and Huang Chi-lo, is expected to reach Shanghai on the 25th. Dr. Wang Chung-hui, Judge of the Permanent Court of International Justice at The Hague, and General Liu Wen-tao, Chinese Ambassador to Italy, however, have decided not to return to China to attend the Session, owing to pressure of duties.

Dr. Chen Wei-ping, Chinese Consul-General at Sydney, Australia, has petitioned the Ministry of Foreign Affairs for leave of absence to return to China to attend the forthcoming Fifth National Congress of Kuomintang Delegates as representative of the overseas Party Organization in Australia. It is understood that Dr. Chen has been granted a leave of one month by the Ministry and will start his journey home shortly.

With the increase in the activities of the Ministry of Finance, the sum of $1,233,500 set aside as ordinary financial administrative expenses in the National Budget for the current fiscal year (July, 1935-June, 1936) has been increased by $40,000. The increase has been approved by the National Government.

Surveying work on the projected Fukien-Kiangsi Railway has been started. The line, more than 200 li in distance, will be constructed at an estimated cost of more than 120,000,000.

Japanese Army Forces Cabinet to Issue Statement that Sovereignty Rests with Emperor

CAPITULATING to the military authorities, the Tokyo Cabinet Oct. 15 issued a declaration affirming that all sovereignty rests with the Emperor, and condemning "imported constitutional theories." *Rengo* stated that the Government was compelled to issue this communique because of the tremendous pressure exerted by the War and Navy Offices and various patriotic and ex-servicemen's organizations.

The declaration climaxed a ten-month bitter controversy, which at times threatened the stability of the Cabinet.

The final statement was prepared at a meeting between Takeshi Shirane, Chief Secretary of the Cabinet, and officials of the War and Navy Offices. The original statement prepared by Mr. Shirane was rejected by the War Ministry as inadequate, the Army submitting its own draft to Premier Keisuke Okada. In an unexpected display of firmness Premier Okada returned the declaration to the War Office with a request for reconsideration.

The meeting, which resulted in Admiral Okada's unexpectedly firm stand, was attended by Takesuke Shirane, Chief Secretary of the Cabinet; Shigeru Yoshida, Director of the Cabinet Bureau of Investigation; and Tokujiro Kanamori, Director of the Cabinet's Bureau of Legislation.

The statement issued declared that the doctrine that the supreme power rests with the Emperor lies at the basis of Japan's national policy, and asserted that this belief remained firmly entrenched in the Japanese public mind.

The Imperial ordinance promulgating Japan's Constitution and the spirit of the latter also serve as a testimony to the absolute power of the Ruler, the statement continued.

The declaration severely condemned "imported constitutional theories," which assert that the Emperor is not the State itself but merely one of its organs. This was taken as an undisguised attack on the thesis propounded by Dr. Tatsukichi Minobe, whose books supplied the original spark of the constitutional conflagration. The imported ideas, the statement said, went against the "sacred principles of national polity" and formed a "serious misinterpretation of the real meaning of the national constitution." Japan's belief in the principle of the Emperor's supreme sovereignty has made her world famous, the statement went on.

These being the Government's ideas on the matter, the declaration affirmed, it now makes a clear statement on the subject and will devote all its energy to carry the belief into life.

Referring to the first statement on the subject issued by the Government on Aug. 3, this declaration of Oct. 15. said:

"We have once issued a statement on the matter. Now we again clarify our belief that the Emperor is the sovereign power in Japan. Disbelief in this is incredible".

The Preliminaries to the Issue of the Statement

Rengo stated Oct. 14 that the attitude of the Government at that date was that the statement should be based on the followin; principles:

1.—The text of the statement should be drafted with especial care, so as not to prevent the study of the Constitution in the future.

2.—Care should be taken not to cause the resignation of Baron Kitokuro Ikki, President of the Privy Council, and Mr. Kanamori. The dismissal of these two officials was being demanded by the military departments on the ground that they subscribe to the theories propounded by Dr. Tatsukichi Minobe, former member of the House of Peers and the leading figure of the Constitutional controversy.

3.—The new statement should be logically related to the Government's first statement of Aug. 3, while a declaration that sovereignty rests with the Emperor should be so worded as not to conflict with the purport of the first statement.

As above noted, the Cabinet was overruled.

The *Kokumin*, October 10, stated that as the attitude of the ex-service men's association became firmer and firmer day by day toward the national polity clarification issue, General Yoshiyuki Kawashima, War Minister, being placed between the Government and the ex-service men, had found himself in a more difficult position.

The attitude of the military authorities at that time was summarized as follows:

1.—The Government has been taking temporising measures only, merely repeating the promise to "make the best of the situation." It is necessary for the Government to carry out a bold measure. Premier Okada declared that he was in agreement fully with the instructions given by the War and Navy Ministers and the resolution adopted on the occasion of the national congress of the ex-service men's organizations on August 27. The Premier should emphasize this point in a public statement.

2.—The Government's attitude punishing men upholding the Emperor-organ theory is extremely lukewarm. Dr. Ikki and Mr. Kanamori should at this time be asked to clarify their views to the public.

Will the Government Resign?

Last week the reports stated that the Government was endeavoring to prolong the life of the Cabinet as much as possible by meeting the wishes of the Army and Navy in the belief that a Cabinet fall on the basis of the Emperor-organ theory would give serious consequences to the Genro and senior statesmen bloc, and that if measures to prolong the Cabinet's life are found impossible, the Cabinet fall would be so made as to take the form of resignation due to disagreement on the Budget compilation, thus giving little or no consequences to the Genro and other senior statesmen.

Fears that the Cabinet would be forced to resign in connection with the "national polity" controversy were changed to optimism on Oct. 16 by Government officials, as favorable reaction greeted the statement clarifying the Government's stand on the constitutional issue. However the military may demand the dismissal of officials who are believed to harbor unorthodox constitutional beliefs.

Quarter Billion of "Red Ink" Bonds Issued in Japan

Four percent bonds of a total face-value of Yen 250,000,000 were issued October 15. The revenue will be used to make up part of the budgetary deficit for the current fiscal year. The bonds, of a Yen 100 denomination, will be marketed at Yen 98.10. The Bank of Japan has underwritten Yen 200,000,000 while the Deposits Department of the Ministry of Finance, will take up the balance.

Treasury Accounts for First Quarter Show Deficit

A large deficit was shown by the Japanese treasury in the official statement for the first three months of the current fiscal year, April 1 to June 30, issued in Tokyo Oct. 11. The revenues totalled Yen 90,487,000, with the ordinary income reaching Yen 80,716,000 and the extraordinary Yen 9,771,000. The expenditures amounted to Yen 216,025,000, with the ordinary expenses totalling Yen 148,995,000 and the extraordinary to Yen 67,030,000.

Japan Willing to End Tariff War with Canada

Japan's willingness to drop a tariff surtax on certain Canadian goods, provided the Ottawa authorities reciprocate by modifying their practices of imposing duties on Nipponese goods on the basis of official quotations, and other assertedly discriminatory means, was conveyed to the Dominion officials by Sotomatsu Kato, Japanese Minister at Ottawa, Oct. 9. The Japanese note dismissed the complaint of the Ottawa authorities asserting that Japan had violated the Anglo-Japanese Treaty of Commerce by invoking her Trade Safeguarding Law, under which Canadian goods are now being taxed, and instead charged that the Dominion's practice of singling Japanese goods out and taxing them in excess of articles from other nations ran counter to the spirit of Art. VII of the pact.

Japanese Will Improve Harbors and Expand Shipping Facilities in South Sea Islands

Preparations are in progress to form a Yen 20,000,000 concern to develop Japanese mandated islands in the South Seas, whose organization was proposed Oct. 12 by the Overseas Affairs Ministry's special commission on mandated islands.

The capital of the new firm will be contributed by the Oriental Colonization Company, Ltd., the South Seas Development Company and other prominent Japanese concerns. The Ministry will subscribe funds for the opening of phosphate mines in the islands, whose annual output now amounts to 60,000 tons of rock phosphate.

The Company will also undertake harbor construction and improvement, expansion of shipping facilities and a reform of the monetary system. The Commission has proposed to spend Yen 30,000,000 in the next ten years to develop the islands.

Nakayama Selected for Addis Ababa Post

Shoichi Nakayama, Counsellor of the Japanese Embassy in Rome, was selected by the Tokyo Foreign Office Oct. 11 as Japan's first Minister to Ethiopia. Arrangements for the opening of a legation in Addis Ababa and the necessary appropriations were made by the Diet last February.

First Australian Trade Commissioner Reaches Japan

E. L. Lloyd, first Australian trade commissioner to be stationed in Japan, arrived in Kobe by the *s.s. Nellore* from Syndey Oct. 15. Mr. Lloyd was a member of the Far Eastern Mission led by John G. Latham, then Secretary for External Affairs of the Dominion, which visited Japan and China last year.

Slayer of Nagata Put on Reserve List

Lieut.-Col. Saburo Aizawa, whose name was headlined throughout the world on Aug. 12, when he fatally slashed Lieut.-

Gen. Tetsuzan Nagata, Director of the Military Affairs Bureau of the War Office, was removed from the active list and placed on the reserve list, Oct. 17. He is now awaiting trial.

Uncontrolled Investment in Manchuria Deters Bond Absorption

At the bankers' meeting on October 7 held at the Bank of Japan to discuss the financial situation, the Finance Ministry authorities, as there were so special developments in the financial world to consider, explained in detail the present conditions of national finance, especially with regard to the bond policy. As the result of questions and answers it was found that the Government and bankers were completely in agreement and it was also agreed that financiers give whole-hearted support to the Government policy. It was agreed that no sudden decrease in military expenditure can be expected and examination seemed to show that there is no room for retrenchment in any other departments of expenditure.

The relation between Manchurian investment and the power to assimilate bonds was particularly stressed in the discussions. The Government offered the view that uncontrolled investment in Manchuria would impair the assimilation of bonds and thus render the enforcement of national policy, particularly finance, difficult. The view that it is necessary at all times to consider this point and make sure that investment is kept on a sound basis was endorsed by all present.

Japanese Secure Siamese Railway Contract

Japanese firms have been awarded contracts for the supply of a large number of freight cars to the Siamese State Railways on the basis of competitive bids submitted recently, the Tokyo Foreign Office was advised Oct. 12.

Japan Takes Over Major Holdings in Columbia Graphaphone and Goodyear Rubber

The Columbia Graphaphone Co. and its subsidiaries Oct. 5 sold the majority of their shares in the Japan branch, known as the Nipponophone Co., to Japanese interests. The consideration was 2,800,000 yen. In addition the B. F. Goodrich Rubber Co. has sold 51 per cent of the stock in its Japan concern to Japanese interests for a consideration of 2,880,000 yen. The transactions will become effective when official government permits for the transfers are issued.

Head of Tokyo "Shimpo" Resigns on Pretext of Ill Health

Masakazu Yamamoto, representative director and virtual head of the *Jiji Shimpo*, one of the most influential newspapers published in Tokyo, resigned on October 3 on the pretext of ill health. He succeeded the late Sanji Muto following the latter's assassination over a year ago. It is stated that Mr. Yamamoto's passive business policy has failed to win popularity among some of the leading officials, notably Ikunoshin Kaboo, chairman of the board of directors, who recently stopped his regular payments of funds to assist the paper.

"China Today" Is Banned in Japan

All copies of the September issue of *China Today*, a magazine published monthly in New York by "American Friends of the Chinese People" were seized by the Yokohama Police on arrival there on Sept. 27. Circulation of copies of said periodical in Japan has been officially prohibited. The issue complained of had a cartoon by Gropper (who drew the cartoon in *Vanity Fair* previously) showing a Japanese labelled "Emperor Hirohito" sprawling with grasping hands over a map of Manchuria, Mongolia and North China. An editorial entitled "Emperor Worship in Japan" spoke of the "ludicrous aspect" of the situation in Japan.

Japan and U.S.A. to Divide Textile Market Equally in Philippines

Equal division of the textile exports to the Philippines between the Japanese and American manufacturers is the crux of a "gentlemen's agreement" which has been arrived at between the two governments. The agreement was reached as the result of negotiations carried on since July between Hirosi Saito, Ambassador to Washington, and the U.S. State Department.

The negotiations which preceded the conclusion of the agreement have been very bitter, as the American producers sought to induce the Japanese manufacturers, who last year supplied nearly 60 per cent of the Philippinnes' demand, to cut their share to less than 50 per cent.

Meantime, the Japanese Government was paying careful attention to the tariff hikes projected by the Philippine authorities.

While the American exporters insist that the agreement be made retroactive to July 1, Japanese concerns ask that it become effective as from Aug. 26 when the association was formed.

Yellow River Floods Threaten Southern Hopei

A recent message from Paoting stated that southern Hopei is still in danger of flood. The rise of the Yellow River threatens an overflow, seriously jeopardizing the embankments in the Lengchai area, near the breached dykes at Tungchang, on the Shantung border.

In addition to Haichow, Shuyang and Kuanyun, Panpu, in northeastern Kiangsu, a fourth district—Lienshui, situated south of Shuyang and northeast of Tsingkiang—has now been hit by the flood.

According to a message received in Haichow, a large tract of farm land has been submerged in the Lienshui district as a result of the collapse of two sections of the old and new dykes of the Lutang River near Choutse. The flood waters are surging rapidly in a northeasterly direction towards Shuyang and Kuanyun, causing a near panic among the people in the Haichow area.

Better news, however, is reported from the Hsuchow area, in northwestern Kiangsu; despite a southwesterly wind, the flood waters in the districts of Tungshan (Hsuchow), Peihsien, Fenghsien and Sinpichow have subsided to a great extent. Most of the higher land around Pipa Shan (mountain), north of Hsuchow, which had been flooded, is now gradually becoming visible, and the refugees are rushing back to their homes to save what they can of their farms. *Kuo Min* reports from Hankow that citizen labor for State service is to be enforced in Hupeh during the winter from November till March. The program consists of dyke repair, afforestation, construction of irrigation canals, dredging of the waterways and highway construction, and is to be carried out in eight periods. All able-bodied citizens in Hupeh from the age of 18 to 45, are required to serve in the labor army, including public functionaries, policemen, students, school teachers and soldiers.

Fear-Stricken Peasants Clash With Troops South of Kuanyun

A message from Haichow Oct. 14 stated that futile efforts of mad ened peasants in the area south of Kuanyun, in northeastern Kiangsu—by destroying a section of the dykes in order to ease the strain of the waters of the Lutang River—have led to the inundation of scores of villages along the southern section of the River near Tai Shan (mountain.) Armed with rifles, a large group, driven to desperation by dread that the entire dykes may give way to the pressure of the waters, marched to the dykes and forced the opening of an outlet for the swollen waters. The guards, standing watch at the dykes, put up a stiff resistance but were driven away after a two hours' struggle in view of the overwhelming number of the invaders. When news of the clash reached the District Government of Kuanyun, the officials immediately despatched a strong military and police force to disperse the mob and close up the gap.

G. Padeux Donates $2,000 Towards Flood Relief

G. Padeux, legal adviser to the National Government, has made a generous donation of $2,000 from his October salary towards the funds for flood relief, according to information from the Ministry of Finance.

That an emergency meeting be immediately held to raise $500,000 for winter flood relief in northern Kiangsu and another sum of $8 millions for diverting the flood waters into the sea in the interests of the suffering people, is being urged by Cheng Ching-sheng, director in charge of the relief work in Kiangsu under the Shanghai Flood Relief Association.

Wholesale Arrests of Russians, Chinese and Koreans in Harbin

One hundred and twenty Soviet citizens, Russian emigres, Chinese and Koreans, were arrested in Harbin Oct. 7 on suspicion that they had engaged in subversive activities, while their homes were thoroughly searched by the authorities.

Those taken into custody are suspected of having acted in a manner detrimental to the welfare of Manchukuo, being in league with bandits and the Kuomintang, and having assisted an unnamed neighboring country. The suspects include Mr. Kolpakchi, editor of the Soviet newspaper *Novosti Vostok*, and several other employees of said journal.

Tibetan Telegraph Code Is Tested and Found Satisfactory

The new telegraphic code in the Tibetan language, formulated jointly by the Ministry of Communications and the Mongolian and Tibetan Affairs Commission, was successfully tested at the Ministry of Communications, Nanking, Oct. 7. A telegram, written in Chinese by General Huang Mu-sung and translated into the Tibetan language, was despatched from a simple telegraphic machine, installed in the Ministry for the purpose of the test, to the office of the Mongolian and Tibetan Affairs Commission. After a little while, a satisfactory reply in the Tibetan language was received from the Commission.

Need for Consolidation of China's Strength

BY S. Y. CHI (季世英)

The following are translated extracts from a speech delivered by Dr. Cheng Tien-fang, newly-appointed first Chinese ambassador to Germany, at the weekly memorial service jointly held by the Central Kuomintang and the National Government at Nanking on Sept. 16, *the meeting being attended by President Lin Sen, of the National Government, Yeh Tsu-tsang, Secretary-General of the Central Kuomintang Headquarters, Admiral Chen Shou-kwan, Minister of the Navy, and some* 600 *Party and government officials.*)

CHINA'S participation in international politics is comparatively a recent affair. After the adoption of the Open Door policy during the reign of Emperor Tao-Kwang in the latter part of the late Ching Dynasty (about 1845), China formally entered the international political arena. So, in the history of modern diplomacy, China is a backward nation.

If we trace back to the ancient history of China, we will notice that, during the period of "Spring and Autumn" and the "contending states of the feudal times," about 2,500 years ago, China had a very well-developed diplomacy. Take for instance the State of Cheng in the "Spring and Autumn" period, which, situated between the two great powers of Ching and Tsou, exposed to constant danger of extinction, was made safe and tranquil by the intelligent diplomatic policies of Cheng Tze-ch'an, the great statesman of Cheng. Again, that Su Chin and Chang Yi, statesmen and orators, who took the stump among the warring states, kept their power in balance either by advocacy of union or by the policy of disruption, can be well compared with the present manifestations of skillful diplomats of the various powers in the conclusion of various treaties and agreements.

After the Chin Dynasty, China was unified under one sovereign and, as there was no country around her which could compare to her in culture China, began to neglect her diplomacy. Hence came the decline in China's diplomacy.

The progress of diplomacy was well advanced during the "Spring and Autumn" and the "warring states" periods, but disregarded ever since the Chin and the Han Dynasties. Then diplomacy was gradually overlooked in the following generations. As a result, China became a backward nation in the history of diplomacy. It is importunate that we have to learn it from other people!

Peace Was the Ideal Policy of Ancient Philosophers

As regards the ideas and principles of international relation, ship—that is, diplomatic policy,—China's ancient philosophers had produced great revelations a long time ago.

As regards positive international policy, Confucianism stresses most the passages in Tsochuan (左傳) "Benevolence and good neighbors are gems of a country"; and in the Book of Mencius, "When the great state serves the weak state, the great state feels it an obligation and, therefore, can maintain the peace of the world. When the weak state serves the great state, the weak fears the consequences of doing otherwise and can, therefore, preserve the existence of its country."

Our late Tsungli valued most the Chapter of Liyun of the Book of Rites (禮記禮運篇) which says that, when the great principles prevail throughout the world, the universe is for justice; the virtuous and the able are chosen to rule; and faith and peace are cultivated.

Peace of the World Based Upon Faith and Friendship

The great statesmen all over the world are now laboring to secure a solution of the difficult proposition of how to maintain world peace and avoid another war. But, if the ideal principles of the ancient Chinese philosophers were actually carried out, the goal of maintaining peace and exterminating war would be easily attained. So, if the various powers of the world strive to love benevolence and to be good neighbors, to cultivate faith and friendship and, particularly, the spirit of a "great state serving the weak" and "giving great benevolence in expectation of a meagre one in return," then many international disputes can be easily and satisfactorily settled. Hence, peace can last in perpetuity and war be uprooted for ever.

We feel proud that our ancient philosophers invented this great idea 2,000 years ago. But it is our duty to carry it out! The first step is to rejuvenate China and the Chinese race so as to obtain international equality. Then we shall have the privilege of introducing our ancient doctrine to the arena of international affairs. We must set ourselves right before we can correct others. If we cannot restore our own country, we are unable to make any contribution to world politics. Now, how can China be restored? Any nation which rises from decline must use diplomacy, but not entirely rely on it. There are many of these precedents. In Europe, Germany, Italy and, more recently, Turkey are the countries restored to prosperity during the 19th century. On the one hand, they employed intelligent diplomacy to win international sympathy in their national recovery, while on the other, they strenuously pushed on their work of national consolidation. Thus, they were able to revive their national prosperity.

National Consolidation

When touching upon the question of national consolidation, people think of national defense and military preparedness. Military preparedness is indispensable for a country's defense at the present time, yet the consolidation of national strength does not entirely depend upon it. Besides military preparedness there are many things which are necessary in the process of national recovery, such for instance as the development of science, education economics and industries. It is not until the nation's strength is consolidated in all phases of life that it can obtain international equality and win the respect of all nations.

Take Germany for instance. Everybody knows that Germany has restored her prosperity after the Great War. Why could Germany accomplish her national recovery in so brief a time? After the conclusion of the Great War, Germany faced a national crisis even more serious than China now encounters; but the German government in close cooperation with its people, with years of toil and turmoil, with the advancement of scientific, economic and industrial attainments, finally on the admiration of the world. It is with such spirit that Germany attained her restoration. It proves that, in consolidating national strength, there are many things, besides military preparedness which must be taken into consideration.

The Rejuvenation of China

Now, China is similarly facing a very difficult and critical situation. The nation's life is at stake. We believe, however, that, if we can adopt an unyielding spirit of perseverance, as the German people have done, in pursuing the advancement of industrial, scientific and economic attainments, we shall also be able to establish our position. Hence, China's renaissance will be easily accomplished.

If the power of the four hundred million Chinese people can be turned to the useful development of cultural, scientific, industrial and economic affairs, something beneficial to human welfare will surely be contributed to the world. Thereafter China's position in the family of nations would be elevated. Then we could extend the high principles of international relations as bequeathed to us by our ancient philosophers to the peoples of the whole world and advise them to adopt them and abide by them. This point is the responsibility of the Chinese people toward the world. And, it is also the greatest contribution which the Chinese people can accomplish for the world.

When the day comes when we can cause the diplomatic ideals of our ancient philosophers to materialize in this world so that war will be forever eliminated, peace perpetually maintained, and might never be right, then can human welfare be immeasurably improved.

Nanking, October 14, 1935.

Chinese Ratepayers Oppose Telephone Message Rate

The Chinese Ratepayers' Association of the International Settlement alleges mismanagement of the Shanghai Telephone Company. Fan Feng-yuan, a telephone instructor in the Chinese Wireless Engineering School, is quoted as saying that the adoption by the Shanghai Telephone Company of the "rotary automatic machine 7-A type" instead of the "Strowger type" has proven incompatible with the company's professed policy of economy, in view of the fact that the cost of maintaining the former in a serviceable condition has been excessive. In a communique to the Council, the Association argues that the company can meet its obligations by cutting superfluous expenses instead of adopting a message rate as a means for increasing telephone charges.

Julean Arnold, Back from Szechuen, Says Business Is Improving

Julean Arnold, American Commercial Attache, on returning from a journey to Szechuen end of last week, stated that the failure of the Yangtsze Rapid Steamship Company and the loss of American shipping had come at an unfortunate time as boats plying the Yangtsze at present are carrying full cargoes. Mr. Arnold said there are general evidences of business improvement in Szechuen, which, he stated, bids fair to become a very rich province. The work of General Chiang Kai-shek was cited as being one of the basic reasons for the notable improvement in conditions.

Canton Forced to Capitulate to Japanese on Rice Tax Issue at Swatow

"Rengo" stated Oct. 15 that the Swatow dispute has been settled, one of the terms being that the seized rice will be returned to its owners. The "Shun Pao" stated that the agreement also provides that Chinese connected with the smuggling will be tried and punished in accordance with Chinese law, and importers of Japanese goods in the future will pay Customs duties regularly; this refers to the Customs tariff only—they will not pay such taxes as the agricultural tax and others. The dispute arose when the Chinese authorities in Swatow detained Japanese and Formosan rice on the ground that it had evaded payment of taxes. Japanese destroyers were dispatched to Swatow when the Chinese officials persisted in their refusal to release the detained rice. "The local settlement of the dispute in no way prejudices future negotiations on the whole question of taxation, which we consider illegal," a Japanese consular official stated. "Reuter" stated there was no truth in the rumor that the Japanese sent an ultimatum to the Swatow authorities, threatening to land marines unless the Chinese Customs ceased trying to collect the special rice tax from Japanese and Formosans, but a later report stated that an ultimatium had been issued. The U.S.S. "Asheville" was dispatched by the United States authorities to Swatow from Hongkong, "for the despatch of communications in case of an outbreak."

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

DESPITE the dispatch to Swatow of six Japanese destroyers with Rear-Admiral S. Shimomura in command aboard the cruiser *Tatsuta*, *The Review's* correspondent learns that the Canton Government is maintaining a firm stand against the Japanese demand for abolition of the special tax on foreign rice. It is alleged by Chinese news agencies that foreign smugglers were responsible for the secret shipment of big consignments of preserved marine products, foreign paper and sundry goods into Swatow. The smuggling of rice was a comparatively recent venture.

Before the invasion of these irresponsible foreign smugglers, the Kwantung Provincial Government collected from $1,300,000 to as high as $1,800,000 from the special tax on foreign rice alone every month, but last September the collection was only $900,000, which plainly demonstrated the fact that smuggling was behind the unexpected decline in government revenues. It is semi-officially reported that ever since last June the revenue has been around the $900,000 mark, which substantially confirms my recent report that smuggling has been prevalent for the last few months.

Commenting on the arrival of the Japanese destroyers, a Chinese newspaper reported that they were sent there for the protection of Japanese merchants "who are desirous of expanding their trade in this important East River port." A *Reuter* message printed in Hongkong newspapers on October 1 said that the trouble started in the middle of September when the Chinese authorities detained Japanese rice estimated at $10,000 at Kityang and Chaoan on the ground that it had been imported into the interior without paying the provincial inland tax. It was alleged also that there had been six similar incidents, which, despite the representations made by the Japanese Consul remained unsettled. The *Reuter* message also stated that over 500 Japanese subjects were engaged in the trade at Swatow, most of whom were Formosans.

Japanese Say Tax Is a Violation of Treaties

As against the Chinese attitude, the Japanese authorities regard the taxation now imposed by the Swatow authorities as a violation of existing treaties and unless the Japanese rice tax is discontinued, the Japanese navy may find it necessary to "carry out their duty." How much of this bellicose demonstration is merely bluffing to bring pressure on the Chinese authorities to make them submit to the Japanese demand for the cancellation of the rice tax remains to be seen. Meanwhile the Canton Government has taken no retaliative measure but is only awaiting the result of negotiations towards an amicable settlement. The latter discussion is being carried out between the Japanese consular officials in Canton and Swatow and Kan Chia-hou (special delegate with residence in Canton of the Foreign Affairs Ministry in Nanking). The young representative of the Nanking Foreign Affairs Ministry has conducted previous Sino-Japanese controversies, including the case of a Korean who was kidnapped in Shameen some two years ago,to successful endings, and in the present case he has the confidence of the Canton military officials, who, like the Nanking Government, are also quite determined to avoid serious friction with any foreign Powers, despite the periodical anti-Japanese denunciations made by certain members of the Canton South-west Political Council, the highest political organ in the South-west, including Kwangtung and Kwangsi. Among these anti-Nippon spokesmen of the Canton Government is Hsiao Fu-chen, who is expected to return to Canton from his long holiday in Bangkok some time next week.

From an independent Swatow account the correspondent learns that part of the negotiations with the Japanese has been conducted by the Swatow Municipal Government officials including the new Mayor. The new garrison officer for Swatow is General Lee Aon-wan, who is taking the place of General Li Yeung-king, one of General Chen Chi-tang's most trusted lieutenants.

Concerning the other incidents involving Japanese subjects in Swatow or districts in its vicinity it is learned that on September 10 and 11 in the Hop Fat sundry store of Kit Yang county, twenty bags of smuggled beans and fifty sacks of yellow beans were found during a revenue officers' raid for illicit goods. In the Wing Hing Loong godown 110 sacks of rice were found, which had not paid the required native customs duties On five junks anchored along the foreshore of Kit Yang, revenue officers also discovered 25 sacks of illicit rice, 105 sacks of beans, and 80 tins of oil, none of these having submitted to customs formalities.

In all these cases the managers or assistants of the shops concerned have been detained by the Kit Yang Magistrate, who is taking a serious view of the matter, alleging his intention to stamp out smuggling at any cost. The Kit Yang authorities also stated that as the smuggled goods were assigned to Chinese firms, they should be confiscated, even if foreign cargo owners should step forward claiming that the goods were sent by them, as in the case of the earlier seizure of the 300 sacks of rice, mentioned in my last letter.

Attitude of Defiance

Although the most peaceful condition prevails in Swatow, a certain amount of nervousness has been created among the Chinese residents because of the presence of the Japanese destroyers and rumors that the Japanese naval authorities are ready to send for more Japanese troops from "near Amoy" if the aggravated situation demands such an emergency. The number of Japanese and Formosan merchants trading in Swatow has also shown an increase since the arrival of the destroyers. Rumors were also current that a Chinese revenue officer had been assaulted because he interfered with the landing of a cargo of smuggled rice.

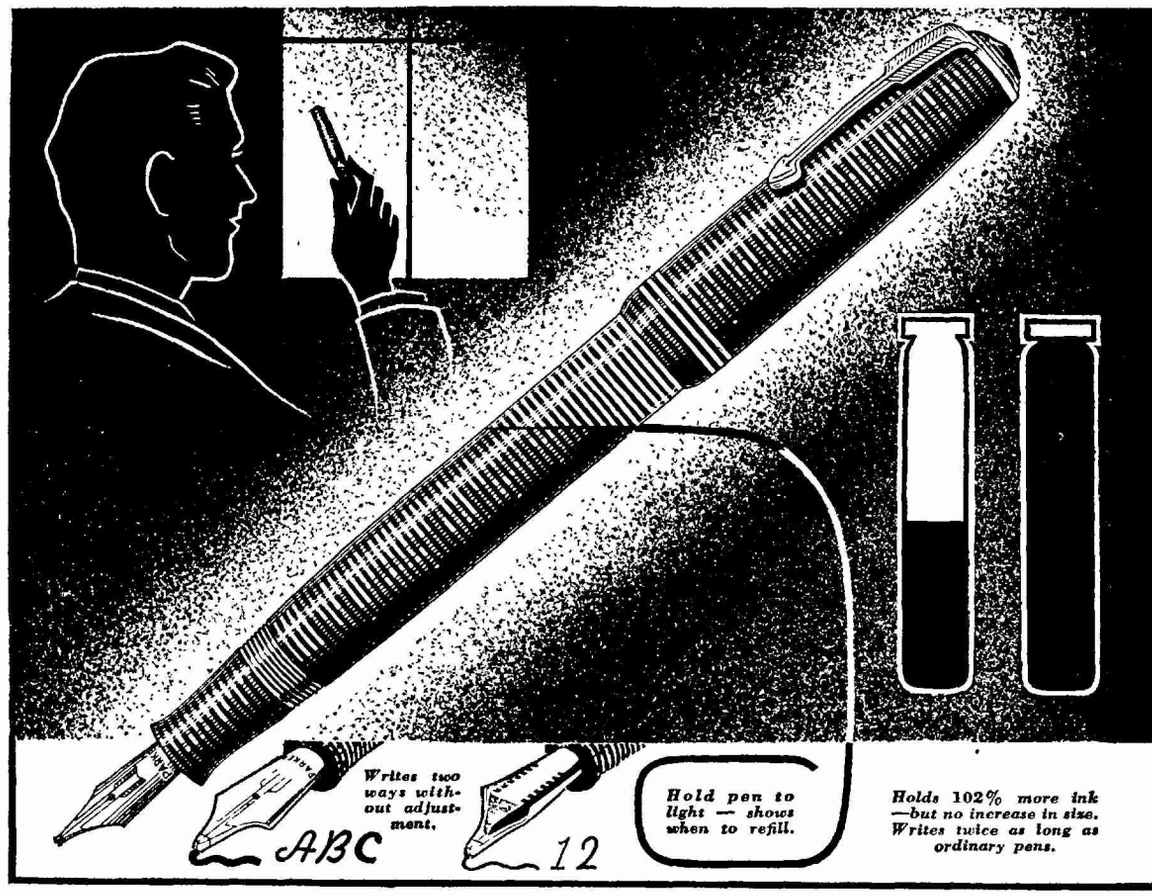
Enquiries made, however, show that although this officer was never assaulted, his authority was, nevertheless, openly opposed by certain "foreign smugglers" who brought 60 sacks of rice into Swatow without payment of the special tax on rice. The consignment arrived at Swatow on October 3. It is known by the Swatow Government that these 60 sacks of rice are still being stored in a certain godown, but in order to avoid further friction with the foreigners, the Swatow Government took no action for their confiscation.

The newly appointed superintendent of the Swatow and Chaochow native customs, Chang Kang-fai, is an American educated student of economics; he was formerly Secretary of the Canton Municipal Government and former President of the Canton Municipal Bank. His last post was as secretary of the Kwangtung Military Academy. He passed through Hongkong last week for Swatow to assume his post. It is known that he has received instructions from the Canton higher authorities to deal with the Swatow smugglers with determined punitive measures.

Circulars informing the Chinese firms and merchants of possible severe punishment if they are found to have secretly assisted in the smuggling activities of foreign rogues have been distributed by the Swatow customs authorities. It is hoped that severe punishment to guilty Chinese firms may act as a useful deterrent to further smuggling.

Another aspect of the Japanese trade expansion in Swatow is the continued arrival of Japanese cotton yarns, which had ceased importation into Swatow since the Manchurian crisis of 1931. Because of the lifting of the anti-Japanese boycott, the Swatow yarn market is now dominated by about 80 per cent of Japanese products. A Chinese estimate puts the import of Japanese yarns to about 1,000 cases a month. Selling at a little cheaper than most Chinese products from Shanghai and elsewhere, the Japanese goods, indeed, offer stubborn competition to the native cotton yarn.

Pending the settlement of this smuggling dilemma between Kan Chia-hou for Canton and the Japanese Consul-General, in Canton Tatsuo Kawai, the Japanese Consular officials at Swatow have advised Japanese sailors from the destroyers not to go ashore, so as to avoid further unpleasantness and misunderstanding.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Li Ping-heng, Chinese Delegate to Geneva, on Way Home

Li Ping-heng, Chinese Government delegate to the governing body of the International Labor Office, is returning to Shanghai in the Italian liner *Conte Rosso* due here Nov. 1. Before his departure from Geneva, Mr. Li placed on the table a motion with the governing body of the I.L.O. which meets on October 23, asking for a permanent seat for China in the body. He entertains some doubt, however, as to the success of his proposal.

Foreign Office to Investigate Suicide Case

The Ministry of Foreign Affairs is taking steps to investigate the case of Yu Yung-chu, counsellor of the Chinese Consulate-General at Manila, who committed suicide last week. The Chinese Consulate in Manila has been instructed to submit a detailed report on the case.

Japanese Consulate in Chengchow Reopened

Takayoshi Sasaki, a consul, and four other officials arrived in Chengchow in Honan province this week to reopen the Japanese Consulate there, which has been closed for more than two years because of the violent anti-Japanese feeling that prevailed in the district following the outbreak of the Manchurian Incident.

G. Zay Wood Appointed Member of Treaty Commission

The Ministry of Foreign Affairs, in a ministerial order Oct. 14, announced the appointment of G. Zay Wood, (Ho Chih tsai), formerly secretary of the Peiping Political Council, as an expert member of the Treaty Revision Commission of the Ministry. Mr. Tang Leang-Li, advisor of the Ministry, was by another ministerial order, conferred the rank of Minister Plenipotentiary.

Tragedy Mars Kwangsi University Anniversary

The eighth anniversary of the establishment of Kwangsi University at Nanning was marred by tragedy. While experimenting with some explosives during an exhibition of scientific instruments, Professor Sung Wen-cheng was instantly killed. His wife, niece, and two students were also seriously injured.

Growth of Univetsity of Nanking Described by W. R. Wheeler in Circular Letter

The growth of the University of Nanking is traced in a circular letter to American friends in Nanking issued by W. Reginald Wheeler, member of the faculty and delegate-at-large to the China Council of Presbyterian Missions. Among new developments in the University of Nanking, Mr. Wheeler, in his circular letter, cited the completion of a modern gymnasium building at the University Middle School and a new dormitory for students. Plans are being made for the construction of a new library building, for which 200,000 yuan in Government bonds have been received and for which the balance of 100,000 yuan is expected.

Wings Over Japan

BY ARLINGTON B. CONWAY

(*in the American Mercury for August*)

SINCE 1918, air forces have received the lion's share of attention whenever war is discussed, and attack from the air looms as the most immediate danger which national defense must guard against. Coincident with the ascendancy of the defensive in the tactics of armies and the strategy of fleets, a new force of potentially great offensive power has been developed. In the last fifteen years the speed, range, and reliability of aircraft have been many times increased, and the limit to their powers cannot yet be predicted. Air forces may decide the next war.

Now the air has a particular importance for Japan: so long as the naval and military strengths of the powers remain as at present and so long as no new bases are established in the Pacific within the Washington Conference stabilized zone, the only threat to Japan's security is the possibility of air attack by Russia from the Vladivostok base. Get out your atlas and, with a pair of compasses, strike an arc with center Vladivostok and radius Vladivostok-Tokyo. This arc will include practically all the important cities and industrial centers of Japan. Its radius is some 670 miles, a distance which, though beyond the effective range of present-day bombing aircraft, could be attained, at a risk, with reduced loads. And, of course, many important objectives in Japan lie closer to the Russian air bases. The Japanese have a special reason to fear air attack, for their cities are built largely of wood, and, as recurrent disasters prove, a fire once well-started will engulf wide areas.

The best way to stave off such an air attack would be to turn the Russians out of the Maritime Province—Vladivostok—as they have been turned out of Manchuria, and it is in this direction that Japanese policy seems to tend. A war in this territory would test the theories that mechanical forces, such as tanks and aircraft, will be decisive and that man-and horse-powered armies are anachronistic survivals.

But even if Russia is not the opponent, aircraft must play an important part in any war Japan may wage. The reason is that she will have to carry out an overseas expedition to gain a decision, and it is very clear that an army cannot be landed on a hostile coast unless the invaders have undisputed local command of the air. So Japan's chances of success in war will probably depend on the efficiency of her air forces, as much as on any other factor.

Until a few years ago it was widely believed not only that Japan was very backward as regards the number and quality of her aircraft, but that, furthermore, the Japanese were essentially lacking in air sense, were not mechanically minded, and so could never be a first-class air power. Young officers were supposed to enter the flying services filled with the conviction that they were about to acquire great and sudden merit by an early death in the line of duty. It was further stated that the mountainous Japanese territory made flying conditions difficult.

All these confident predictions are now considered, by the best foreign observers, to have been hasty and wide of the mark. Let us view, without prejudice, the actual state of Japanese military aviation today.

II

The efficiency of an air force depends on the following factors: (1) the spirit of its personnel, including the character of its leaders (2) the technical skill of the personnel, in flying and in the use of weapons; (3) the quality of the material, airplanes and auxiliary equipment; (4) the organization for servicing that equipment in the field—for maintaining it in working order under active service conditions; (5) the capacity of the nation to manufacture material in time of war, adequate in quantity and quality; (6) the reserves of personnel with flying skill, to meet the inevitable heavy losses among the first-line men, and for expansion; (7) the nation's capacity for technical advance, for research, invention, and design, without which it would be outstripped in any air war which lasted longer than a few months.

Taking the above factors in order, let us commence by admitting that the military spirit of the Japanese, both officers and men, is excellent. They have, according to unanimous report, a devotion to their service and a readiness to sacrifice themselves which cannot be equalled anywhere. The Japanese must score high points for morale, which is probably even more important in warfare in the air than on the ground or on the sea.

As for technical skill, it seems that, while Japanese pilots do not quite reach the standard of the best of Western nations, they are not far behind and are getting better. They are generally good shots. At present, most of the senior officers who would be responsible for air strategy and the higher aspects of tactics, are not fliers, though doubtless in a few years officers with pilot's qualifications will reach the upper ranks. This, as well as the lack of experience in actual air warfare, is a weakness. The Japanese must take their theory of this branch of the art at secondhand. But this means little; military history of the last century is full of examples of a nation with recent war experience being beaten by one that had none.

The equipment of Japan's air forces is now nearly all Japanese-made; only a few years ago it was all imported. It is true, however, that so far there is not a single type of Japanese aircraft which is anything more than an imitation of a foreign machine, sometimes manufactured under license with a Japanese name, sometimes produced without so much formality. The machines have a good performance and are soundly constructed, but, due to the facts just stated, they are naturally not equal to the latest equipment of the few first-class air powers which design and develop their own aircraft.

To keep a squadron of airplanes operating efficiently in wartime requires the services of many expert mechanics. Owing to the improvements in motors and frame structures, such maintenance is perhaps less of a problem now than it was in 1918; still, it is of the greatest importance. The men in the Japanese flying service are conscripts, mostly from country districts, who serve two years in the ranks. It is manifestly impossible to make a rice farmer into a good mechanic in this length of time. In peacetime, the maintenance of aircraft is assigned to skilled civilians who are not even reservists. This feature of the Japanese air organization would be a serious weakness in time of war, for Japan has no important motorcar industry to turn to as an alternative source for supplying mechanics. The idea that the Japanese are not mechanically-minded is a stupid one; when they have the opportunity to work with machines regularly, they turn out to be as good mechanics as any other people. But not a great many of them have this opportunity at present, though doubtless more will in the future.

Reserves of personnel with flying skill are meager; this is due to the limited development of civil aviation, which is, in turn, accounted for partly by unfavorable geographic circumstances. Since the founding of the State of Manchukuo there has been a considerable expansion. Nevertheless, in 1934, there were only 157 civil aircraft, 391 pilots, and 200 mechanics registered. These figures have increased very slowly, even in recent years. In 1934, Japan licensed only 50 new pilots, as against 400 by France, 600 by Great Britain, and 4,000 by the United States.

The output of the Japanese aircraft-construction industry has risen from 300 a year in 1931 to 1,000 a year in 1934, according to estimates, and its productive capacity is now thought to be about 65 airplanes and 135 motors a week. These figures will probably be increased, but the Japanese aircraft makers are even more dependent on state aid and orders than their confreres in Western countries. Civil aviation is limited, as just stated, and there is no export trade and little prospect of any. So the development of the industry is a heavy burden on governmental finance. The absence of large-scale automotive manufactures, which, in war, could be switched to the production of aircraft, is here, as it is in regard to the supply of mechanics, another unfavorable factor. Since the mass of the population is poor, and since there are very few good roads, it looks as though many years must elapse before there will be as many automobiles in Japan as there are today in European countries.

It is obvious that a nation which is content to imitate the aircraft designed by other nations can never hope to gain those occasional advantages which the possession of superior machines confers: that is, it cannot hope to do so when its opponent's aircraft industry can not only imitate but also produce original designs. Superiority in the air during the World War passed from one side to another, as the Germans or the Allies brought out more powerful and maneuverable machines.

Japan has quite a number of institutes devoted to aviation research, but so far their contribution to the advancement of the world's knowledge appears to have been nil. One cannot say, of course, that Japan will never produce researchers or designers who will be the equals of the men who have so brilliantly developed aviation these last twenty years; all one can say is that, until she does, she will not be a first-class air power.

It is an extremely difficult matter to devise a simple and satisfactory standard for comparing the strengths of national air forces, as the Geneva disarmament commissioners have found out to their cost. The simplest method is to compare the first-line air strengths—the numbers of aircraft established in active air units, exclusive of reserves. The inadequacy of this basis of comparison is obvious if it is agreed that the criteria which have been discussed above are the true ones to apply in assessing air strength. Nevertheless, propagandists for the increase of national air forces usually do compare firstline strengths when they don't adopt the device of comparing the first-line strength of their own nation with the first-line, training, and reserve strengths of other nations.

Furthermore, it is not at all easy to get accurate figures, even of first-line strengths, owing to official policies of secrecy and to the deliberately false information which is often broadcast. Dozens of different estimates of Japan's first-line strength have been made. At present, I judge it to be about 600* aircraft, which will be

**This number includes both naval and military aircraft. The Japanese organization is the same as the American in keeping naval and military air forces distinct and under the control of the older services, in contradistinction to the policy of a unified air force, adopted by such nations as Great Britain and Italy.*

increased about twenty-five per cent when the replenishment program is completed in 1938.

III

Reviewing the facts about Japan's air forces, we come to the conclusion that, while a great improvement has taken place in the last decade, Japan has not yet raised herself to the small circle of first-class air powers and that there are formidable difficulties in the way of her doing so. Given time she may accomplish it, as she has accomplished so many things which we did not think Orientals could do. But will she have the time before she is obliged to meet the hazards of war?

The program for replenishing and increasing material for the navy and army, including the air forces, is imposing a terrible strain on the country's finances. Since 1931, military and naval expenditures have increased from 454,000,000 yen (in 1931-32) to 1,021,000,000 yen (in 1935-36). The latter sum is almost half the total national expenditure. For some years, there have been great deficits in the budget, covered by the sale of bonds. But some of the bonds issued to cover last year's deficit remain unsold. The situation is dangerous, and ministers of finance have protested violently against these huge expenditures for defense. But since the beginning of the Manchurian episode, the militarists are more firmly in the saddle than ever, and the threats and pleadings of the money-handlers have been unavailing. Nothing is clearer than this however: that the national finances cannot stand the present rate of expenditure indefinitely.

What will the men who run Japan do in the face of the approaching crisis?

Well, what does a tiger do when he is hungry?

"China Clipper" Built by Martin Factory for Pan-American

The Martin Aircraft Co. factory in Baltimore, Oct. 8, completed testing of the *China Clipper*, the largest airplane ever built in the United States. The craft has since been delivered to Pan-American Airways, for probable use on the projected San Francisco-China air-mail and passenger service. It will replace the four-motored Sikorsky *Oriental Clipper* which has been making trial flights to Honolulu, Midway Island, and Wake Island and Guam.

U.S. Pacific Islands Not Annexed—Merely "Colonized" as Potential Air Bases

The Aviation Bureau of the Department of Commerce in Washington, Oct. 14 confirmed reports that the United States was "colonizing" three South Sea Islands—the Harvis, Baker, Howland Islands—with the object of using them as potential air bases on the proposed air-route to New Zealand. It was stated, however, that these islands have not been annexed, there being no necessity for such action, as they were originally discovered by Americans.

"Oriental Clipper" Completes Test Flight to Guam

The *Oriental Clipper* arrived in Guam Oct. 13, thus successfully completing the test flight from the West Coast of the United States.

Three Die in Japanese Navy Plane Crash

Three Japanese naval fliers lost their lives and one was gravely injured in a mid-air crash between two Japanese naval scouting planes over the Inland Sea, Oct. 10.

Chinese Aviator Not Killed in Italy

The Nanking Foreign Office Oct. 9 received a telegram from Gen. Liu Wen-tao, Chinese Ambassador at Rome, categorically denying reports that Captain Sun Tung-kang, the Chinese aviator, had been killed in a crash in Italy. Captain Sun, who made a solo flight from Berlin to China two years ago, left for Italy early this year to complete his aeronautical studies.

Japanese Army Bombers Hold Maneuvers at Sea

Three of the newest Japanese army heavy bombers were put through strenuous tests in four-day maneuvers centered on the Omura Naval Aviation Base in Kyushu beginning Oct. 12. The practice flights will include a 1,000-kilometer over-water jump along the Loochoo archipelago.

New American Airlines in China

The *Shanghai Mainichi* commented Oct. 12.—A new phase in the struggle for the domination of the air by various powers in China is opened by the conclusion of an agreement concerning the inauguration of a new airline from San Francisco, to Manila and further to Macao.

Military Airdrome Built Secretly in Nanchang

According to a passenger on the *Loyang Maru* quoted by the *Shanghai Mainichi* who recently arrived from Nanchang, military preparations are being carried out in the vicinity of Nanchang. In perfect secret, a large military airdrome is being built near the city of Nanchang. Barbed wires have been stretched, while the construction of a large hangar has been started.

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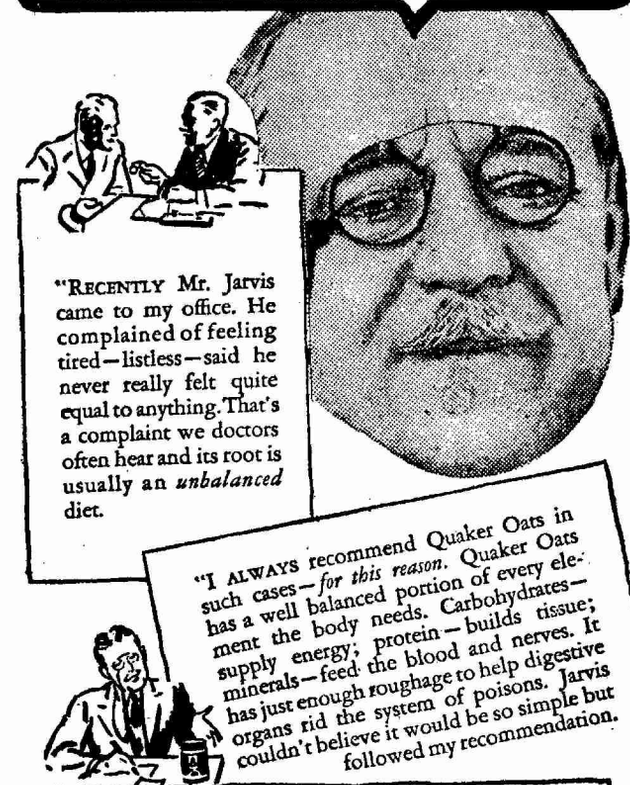

"RECENTLY Mr. Jarvis came to my office. He complained of feeling tired—listless—said he never really felt quite equal to anything. That's a complaint we doctors often hear and its root is usually an *unbalanced* diet.

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"I SAW him at the club yesterday, playing tennis. He came over and thanked me again for my advice. I've been thanked more for advising Quaker Oats than for anything else I prescribe. Folks appreciate eating a delicious food rather than taking medicine. That's why I've been advising it for the past 20 years."

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Quaker Oats

D-15

74-261

White Nations Bicker While Black Dragons Plot World Overthrow

BY CONSTANTINE BROWN

Editor's Note:—This article by Constantine Brown, reprinted in The Review from the Washington, D. C. Star, contains the first confirmation of reports long rumored in the Far East that Trebitsch Lincoln, or to use his present name Chao Kung, "Buddhist Monk," is affiliated with the notorious Japanese Black Dragon Society. During the Shanghai war early in 1932 Monk Chao Kung was in constant contact with Japanese military intelligence officers here, leading to the suspicion at that time that there was more to his activities than the profession and practice of the Buddhist faith. An article dealing with Koki Hirota's connection with the Black Dragon Society, written by Sterling Fisher, jr. appeared in The Review on March 31, 1934 (P. 161).

AT Geneva, Paris, London, Rome and Berlin the European powers are plotting and trying to block each other, while the most formidable secret society in the world, the Black Dragon, with headquarters in Japan, is methodically planning to overthrow the dominance of the white powers outside Europe.

The Black Dragon so far has received little publicity. Governments and intelligence departments know about it. In Japan it is the most feared and the most powerful organization ever known. It dictates to the government and controls the leaders of the army and the navy.

Prime ministers and high officials tremble when the name "Black Dragon" is mentioned, because they know that unless they play to the tune of that organization their life is not worth a cent.

This secret society has to its credit quite a number of important political assassinations. Hamaguchi, the Japanese prime minister who accepted the London naval agreement of 1930, paid with his life for it. Wakatsuki, who negotiated that treaty, escaped, but his foreign secretary, Shidehara, was dangerously wounded by a member of the society. The same thing happened to Inouye San, another Japanese statesman, and to Baron Dan, president of the Mitsubishi Bank, the rival of the Mitsui Bank, which has the approval of the Black Dragon. Inukai, another Japanese prime minister, was assassinated in his own home by a band of cadets because his policy during the Manchurian campaign was considered too weak. And quite recently Gen. Nagata was added to the long list of political victims of the blood-thirsty dragon.

So powerful is the influence of the Black Dragon over the Japanese government and the high courts of justice that the assassins invariably either escape justice or receive mild sentences.

In London and in Rome the governments are aware of the tendencies and activities of the society and, according to reports from Rome, Mussolini has received more than one mysterious letter and telegram threatening him with assassination if he attacks Ethiopia. The Italian newspapers are not allowed to mention this subject and the British government considers it wise to keep as quiet as possible about the doings of the Dragon in India and other British Oriental possessions.

The general of this secret society is Nissho Inouye, a fanatic whose orders are never discussed, but blindly obeyed.

Inouye was a gay young man in Tokio some 40 years ago. Tired of Tokio's night life and worldly pleasures, he became a Buddhist monk and now directs the activities of the Black Dragon from a Buddhsit monastery. He speaks a number of foreign languages, but never allows foreign words to defile his lips. He can discourse for hours about Chinese or Bergsonian philosophy and knows the latest development in the field of aviation.

He writes poetry in the difficult Japanese script and with the same ease he uses a typewriter to send special orders to members of the society to bump off some individual whom he considers has outlived his usefulness in this world.

In this monastery arrived a few years ago a white man who had also been touched by grace and desired to devote his life to Budda's philospohy.

This man was Trebitsch Lincoln, a Jewish-Hungarian, who had gone to England some 35 years ago to become a member of the Church of England.

A few years of residence in the north of England was sufficient to gain him the sympathy and the confidence of his new fellow citizens and he was sent to Westminster as member of the British Parliament. He dabbled in oil concessions in Rumania, got into financial troubles and when the World War started Lincoln became a renegade and the chief spy of the central powers.

He was arrested in New York for some shady business transactions, but he could not be extradited to Great Britain because of espionage and high treason. At that time, the United States was a neutral power. After the war he was a men without a country, going from one place to another until finally he was touched by grace again while in China and became a Buddhist monk.

In the monastery where Inouye has his headquarters he met the grandmaster of the Black Dragon. Inouye realized that this renegade and newly converted Buddist might be a useful man. He received him like a brother and charged him with a mission abroad. Under the cloak of a Buddhist monk, Lincoln is now traveling through the East as the executive officer of the great chief who never leaves the monastery, not far from Tokio.

It is the Black Dragon that gives the "themes" for speeches of the high Japanese officers or provides the texts for the manuals used in Japanese military schools.

The Tiki Kita text book used by young Japanese officers has some pearls well worth quoting: "The Japanese government has the right to make war against nations which have extended territories. An example: Australia should be taken away from Great Britain, Siberia from the Russians."

Gen. Araki made a speech a few weeks ago and said among other things: "Our country is determined to propagate its national ideal across the seven seas and the five continents, even if it has to use force. We are the direct descendants of God and must rule over the world."

The famous Tanaka report to the Emperor of Japan—the authenticity of which has been denied in Tokio for a long time, but in the light of what has happened during the last four years it is beyond doubt that it exists—contains the following sentence: "In order to conquer China, we must conquer first Manchuria and Mongolia. And in order to estalish our supremacy in the world we must first conquer China."

Japanese Militarists Want a Strong Overases Propaganda Organ

The negotiations for the amalgamation of the *Rengo* and *Nippon Dempo* news agencies and the formation of a national news agency still drag on. The publishers opposed to the amalgamation scheme, on the occasion of a luncheon given in honor of the press and news agency representatives, by Communications Minister Mochizuki at his official residence on September 29, demanded return of a "clean slate position," as *Shimbun-no Nippon* ("Japan in Journalism") expressed it in its issue of Oct. 1.

Those in favor of the new news agency scheme declared the argument of the opposition was impossible. Thus the fundamental divergence in view between the two sides was once more made evident.

Shoji Koyama, adviser to the *Nagoya Shimbun* and Minseito leader, criticized the present scheme from the standpoint of the provincial newspapers and declared that the scheme was meant to be discriminatory to the provincial papers. He declared that he and his colleagues were opposing the Press Alliance scheme now under discussion as representatives of 50 provincial newspapers scattered throughout Japan.

Keisuke Mochizuki, Communications Minister, intends to propose as his plan for establishment of a national news agency to drop the present Alliance Press plan and purchase both *Rengo* and *Nippon Dempo* and establish a new agency, after disposing of all ties and relations between *Rengo* and *Nippon Dempo*.

By so doing Mr. Mochizuki, it appears, hopes to win a reputation for fairness and impartiality both for *Rengo* and *Nippon Dempo* and be able to establish a new organization freely without the voice of any of the two present news service organizations. He also hopes that if a handsome sum is offered to *Nippon Dempo*, the latter will favorably respond to his proposal.

Said journal has been informed that the Alliance Press plan is nothing but a private plan of the Foreign Office, and that the plan does not spring from the State policy.

It is the view of the military authorities that the authorities of the Army, Navy, Foreign Office, Home Office and Communications Ministry should co-operate and organize a strong overseas propaganda organ like a Bureau of Propaganda or Cabinet Information Bureau as a measure to cope with international propaganda, and work to deal with the press organs and the public opinion in Japan and abroad. A lukewarm organ such as a combination of *Rengo* and *Nippon Dempo*, it is felt, would weaken the present position instead of strengthen it.

The Army was stated to be of the opinion that it is more advisable to let both *Rengo* and *Nippon Dempo* exist in their present form and use them properly to provide for domestic and home propaganda. Such a view is justified by the present international press world, the Army thinks.

Antiquated Treaties and Question of National Defense

Editor *The China Weekly Review*:

As a well wisher of the Chinese Republic and an eager reader of *The China Weekly Review*, I wonder if I am not entitled to express my opinion concerning recent events in China. With S. Y. Livingston Hu in the August 24 issue of *The Review*, I agree that the prestige of the Nanking Government has not been enhanced by the closing of the Kuomintang branches in Peiping and Tientsin! No doubt it must be especially humiliating to overseas Chinese who hail mostly from Canton, to hear that the party of their own Sun Yat-sen has suffered a black eye at the hand of lordly Japan.

Yet when recently a group of some eighty Chinese students sent to finish their post-graduate courses in American universities, altogether sang the Kuomintang hymn here at a banquet given in their honor in Seattle—it seems to me that not all is so black as it is being painted for the future of China. Chinese youth has not lost heart. The cause of unity has gained in spite of all. A few years ago, no students coming from different provinces would have intoned together one common National hymn.

The most skeptical of these youths would certainly show little judgment in refusing credit for such awakening of the national consciousness to the great military leader who so strenuously has worked for Chinese unification all these years and launched movements for the rejuvenation of China, laying stress on the tasks of the coming generation, including that of national defense!

The growing generation will not, cannot accept foreign dictation in China, whether it comes from Japan, the West, or Soviet Russia! The young Chinese both at home and abroad are to be commended and not rebuked for demanding that none of the sovereign rights of their mother land be surrendered to an alien power through secret diplomacy or otherwise. They are not to be criticized if they fail to appreciate the "services" of diplomats with insufficient back-bone!

Meanwhile, I do not think it advisable for China to offer what is being called "military resistance" at the present juncture. None of the seasoned strategists of the National Military Council would be willing to take another chance on unpreparedness after what happened in 1932 and 1933. There must be either war on a national scale with general mobilization and the quick transportation that mobilization entails, with enormous resources conscripted and nationalization of heavy industries, if resistance is to be sustained for any length of time—or a peaceful, yet honorable settlement through diplomacy must be resorted to, at least temporarily. But as a Chinese speaker on an American tour said recently in California, the Chinese diplomats should be able to outwit their opponents!

As a conclusion, let me say that the most that overseas Chinese, especially the students abroad, can do, is to petition the friendly powers whose guests they are, to *repeal antiquated treaties* such as make of every Chinese port except Canton a virtual landing place for alien marines wishing to pick a scrap with the Chinese; and especially petition President Roosevelt, who recently declared the "dollar diplomacy" ended, to clear himself from the remains of Imperialistic traditions in China, such as the obsolete Boxer Protocol, meaningless now that the capital of China has been moved south, with the legations, now raised to embassies, soon moving too! Is it fair of Americans to reproach China with cowardice for not warring against Japan, when the U. S. handicaps her, and claims on her shores the same prerogatives invoked by Japan?

MADELEINE RICHARD SEDGWICK.

Seattle, Sept. 18, 1935.

Foreigners Receive Decorations on Chinese Independence Day

The Honors list announced on National Independence Day (Oct. 10) this year included the names of over 30 foreigners who were decorated for meritorious services rendered to the country in the fields of culture and reconstruction. A meeting of representatives of the National Economic Council and the various Ministries under the Executive Yuan was convened in Nanking Oct. 7 when the list was decided upon and recommended to the National Government. Of the 30 foreigners, more than ten were recommended by the National Economic Council. The recipients included Dr. Roger Greene, Deputy Director of the Peiping Union Medical College; Senor Pedro Vellosi, Brazilian Minister to China; M. Okecki, highway expert of the League of Nations formerly attached to the National Economic Council; Dr. John C. Ferguson, founder of Nanking University; M. Eduard Herriot, French Cabinet Minister; John D. Rockefeller, American oil king; Baron v. Neurath and Dr. Ludwig Rajchman, director of health organization of the League of Nations.

Two Japanese—Tatsuichiro Funatsu, former Japanese Consul-General in Shanghai and now the managing director of the Japanese Cotton Mill-owners' Association in China, and Katsushi Uchida, director of the East Asia Industrial Company—were among those who received decorations. Mr. Uchida participated actively in the adjustment of Japanese loans to China.

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Chinese Labor Legislation

BY ANNA GINSBOURG

FEW countries, if any, have experienced the process, which China is undergoing at present, namely: transformation political, economical, social and intellectual at one and the same time.

The National Government, carrying out the gigantic task of national reconstruction by mobilizing all the resources of the country material, intellectual and moral, has been concentrating its attention upon giving the needs of the masses the foremost consideration, in the belief that real progress and prosperity can be expected only after the conditions of life of the entire people are improved. Social transformation is therefore put forward in the first place. But it does not come alone. Most closely interwoven with it are the economic changes, which China has been subject to during the last decades. The fact that China, whose national economy has for several thousand years centered around agriculture, is breaking with it and rapidly moving towards industrialization is being considered by a few of her leaders as the first and most outstanding indication of her crisis.

Industrialization of China brings with it radical social changes. Handicraft industries are gradually giving up the right of way to machine production; traditional relations between employers and employees are yielding to the influence of modern labor unions. Chinese workers are awakening, they become self-conscious and class-conscious. Industrialization brings with it new opportunities for labour. As a matter of fact, labor unions, strikes, industrial disputes, unemployment and similar questions are gradually becoming the most acute issues in Chinese social life.

Moreover, industrialization is accompanied by the concentration of population into small and limited areas, rendering the enforcement of sanitary and health regulations difficult. The result is the increase of poverty because of the insecurity of employment, low wages, high cost of living, accidents, sickness and occupational diseases. In these conditions to promote industrial peace by means of social legislation is one of the most important functions of the Government, particularly in this period of reconstruction, the task of which can be accomplished if the interest of workers and their problems are given a sympathetic ear. Only under this condition will Chinese industries prosper and the threatening social upheaval of masses averted.

A survey of working hours, wages, hygienic conditions, wome and children employment, frequency of industrial accidents, etc. in Chinese industries reveals numerous appalling circumstances. In the overwhelming majority of modern factories, for instance, the working day is still between 10-12 hours, while in the handicraft industries it goes up even to 15, seven days a week. Only a very limited number of modern factories and governmental-operated enterprises have adopted the 8 hours day. The evils of long hours are intensified by the bad practice of night shifts. Working for 12 hours near a machine is common practice in textile factories, where workers work day and night by turns. The other leading industries, like tobacco and cigarettes manufacturing, matchmaking, oil crushing, printing, etc. have also adopted the night-shift system. The result is inevitable fatigue and frequent accidents. In the apprentice system these conditions are especially intolerable.

In different, mostly small-scale, industries, a large percentage of the working force is made up of minors. Women and children workers, in general, constitute a large part of the Chinese labor population. Their labor is less expensive and therefore they are willingly engaged by the employers. The tendency to hire women and children is getting stronger among employers every year. Gradually they even replace the adult workers, as shown in several industries in Shanghai. With an increasing number of women and children going into remunerative occupations keen competition for jobs is developing. Moreover, the fact that they are compelled to become wage-earners instead of house-wives and pupils is of great economic significance, for it means the neglect of home on the part of women and the arrest of development, both physical and intellectual, in the case of children.

It is by no means possible to embrace in a short study all issues of the Labor Problem in China, therefore we are going to limit ourselves to those provided by Law System of China, for which provisions and regulations have been enforced, and which development it is interesting to follow. The problem of protection of workers against industrial accidents is one of the most important.

Except the small funeral allowance that is sometimes given by the employer in case an employee dies in the course of employment, there is no compensation for accident or illness in the majority of cases. Although most of the machines of the textile factories are new machines, there are still a great many factories, where one can find most of the machines unguarded. As result, accidents occur very often, but no definite provision for their treatment is made. Every now and then one reads reports of the bursting of boilers, collapses of factory buildings, fires and similar catastrophes.

Figures show that China has about 10,000 accidents annually in her industry alone. During last month two hundred and twenty accidents from industrial and occupational causes came to the attention of the Shanghai Municipal Council, occurred in International Settlement only. According to a report of Dr. Decker of 1928, who took figures for cotton industry alone, among the men, 20% of accidents resulted in some form of permanent disability. Among women 44% and among children 29% resulted in same. This all means that annually 25.000 workers are maimed for life. It means loss of jobs or returning to work at some lower wages. To many it means poverty and dependency.

The protection of labor by legislation is one of the most recent and laudable undertakings of the National Government. The whole history of industrial legislation in China covers a period of only eighteen years. The first set of regulations dealt with the employment of miners and was promulgated in 1914, but the first factory Law (The Provisional General Factory Regulations) was not enacted until 1923. Although the enforcement of these Laws was very difficult, due to peculiar social, economic and political conditions of the time, which hampered their working, a foundation for future legislation was laid by these Laws. They have formed a basis of the new, more workable laws, which are at present being adopted by the National Government.

Nearly all factory regulations and laws that have heretofore been promulgated emphasize the improvemnet of the fundamental working conditions, such as the hours of labor, the minimum wage, the employment of women and children, rest and holidays, the system of compensation, health and safety, etc.

The New Factory Law, promulgated by the National Government on December 30, 1929 stipulated that the hours of labour be limited to eight per day or forty eight per week, overtime being permitted in case of *force majeure* only. The fixing of the minimum wage rate of the workers is based upon the conditions and the standards of living in the different localities where the factories are established, for it is very hard to fix a necessary minimum wage in general, but the remuneration must be sufficient to support the worker's family in reasonable needs. The frequent strikes we have heard of recently in Shanghai, Hankow, Tientsin and Canton manifest the protestations of workers against the minimum wage, compared with which the cost of living is abnormally high. The provisions, contained in the different regulations and laws respecting the employment of women and children have three elements in common, namely: (1) the prohibition of employment of children under the age 12-14, (2) the prohibition of night work for them as well as (3) employment in dangerous occupations. As far as we can judge, the prohibition of child labor has proved a failure because of the fact that the age limit. set at 14 can hardly be attained at the present time, unless the compulsory school attendance law can be strictly enforced throughout the country.

With regard to rest days and holidays, all regulations and laws provide rest periods in the course of a working day and one day in a week for rest besides legal holidays. They also grant sick leave to all workers and special leave of absence to female workers before and after a confinement with full pay. This provision is in accordance with the latest development of social legislation in safeguarding the health of female workers.

With reference to the health and safety of workers The New Factory Law emphasizes the installation of safety appliances and the provision of sanitary facilities for workers, such as safety provisions against life and bodily risks of the workers, safety provisions in the structural details of the factory, safety provisions regarding the proper installation and fencing of machines, safety provisions regarding fire and flood prevention, etc. (Art. 41.) As to the sanitary facilities, factories shall install the provisions for good ventilation, for pure drinking supplies, for good light, provisions for the prevention against poisoning. Art. 43 provides that "The employer shall give proper training to workers in accident prevention." According to Art. 44, whenever the safety and health provisions of a factory are inadequate, the proper authority may require improvements to be made within a definite time limit. In case of necessity the proper authority may also stop the operation of the whole or of a part of the factory.

These are the main features of the New Factory Law, promulgated by the National Government on Dec. 30, 1929, which came into force on the first of Aug. 1931. Together with the Conciliation and Arbitration Law, which became operative on the day of Promulgation in June 1928 and in July of 1929 and Labour Union Law, which was enforced in June 1930, it constitutes the present Labor Legislation of China.

With a view of criticising the acting Labor Laws we have to approach them from two different viewpoints, namely, to discuss their:

1. **Theoretical value and**
2. **Practical applicability.**

(1) The original draft of the Factory Law attempted to carry out some of the provisions of the Washington Labor Conference, the chief object of which has been to promote the general welfare of the working classes throughout the world as a means to end industrial unrest and to bring about social harmony. As these same provisions had been laid as foundation to Labor Legislation in many European countries, where the Labor situation is more than satisfactory compared to China, there is nothing to be said against them from this point of view.

(2) The question as to how much protection the working class has enjoyed as a result of this Legislation is difficult to answer, in view of the peculiar economic, social and political conditions in China, as has been already stated.

In the first place, most of the modern factories are located in concessions, and unless extra-territorial jurisdiction is abolished

or the cooperation of the foreign municipal authorities is secured, it is difficult to apply the Factory Law to factories in Concessions. According to a recent statement of Mr. Lo Yuan-yen, a member of the Legislative Yuan, there are over 5,000 factories in Shanghai, employing over 300,000 laborers, mostly situated on Concessions. A settlement of the question of factory inspection in the International Settlement is expected to be reached this year, according to Labor Department of the Ministry of Industry information, although the arrangement of a meeting with foreign consular authorities represents considerable difficulties.

Secondly, as the system of labor inspection has only been recently established, the inspectors have had no previous experience in factory inspection and the fact that the Law in many respects is rather vague, makes it difficult for the inspector to establish definite violations. There is also the unwillingness on the part of the employers to co-operate in factory inspections, and in the absence of their whole-hearted co-operation the inspectors will have all kinds of obstacles placed before them in their efforts to enforce the Law. Moreover, some obstruction may also be encountered from the side of the workers, who in the present unfavourable economic conditions are afraid of losing their jobs.

According to opinion of Prof. Lin-Tung-Hai, a very well known authority of Labor Legislation in China, expressed in his vast study "Labor Movement and Labour Legislation in China," the following suggestions are to be made for consideration by the competent authorities, should any amendment to the Law be decided on in the future:

(1) Adoption of the eight-hours principle with an allowance of two hours for overtime, so that no further extension of hours shall be granted except by special order of the Ministry of Industry

(2) Reduction of the age limit from 14 to 12, for the economic status of the masses is still low, age determination is difficult, and in some cases impossible and compulsory education is not yet realized. In European and American countries the age limit was set at 9, and then gradually raised to 12, when the compulsory system of education was adopted.

(3) The modification of Art. 45 (relating the compensation for injuries and death.) A definite schedule for compensation is needed, while the amount and the length of benefit should be definite according to the nature of incapacity. The Law should expressly provide that such a schedule or the duration of compensation should be fixed by the local authorities in agreement with the Ministry of Industry.

(4) The adoption of a definite standard for Art. 41 (relating to safety) for without them the factory inspectors will never be able to establish violations of the Law.

(5) The modification of Art. 20, the provide for a minimum wage board. A special administrative organ is needed for the fixation of a minimum wage, sufficient to support a family of 3, 4, 5, etc.

(6) The modification of Art. 27, providing a longer notice to workers to look for another job.

(7) The elimination of Art. 62, referring to permission of apprentices to quit the job, according to their own wish.

(8) The addition of an article to chapter II, relating to apprenticeship, providing for wages to be paid to apprentices during the last part of their training.

Some of these recommendations have evidently reached the authorities, as a draft of the New Labor Insurance Law, issued by the Ministry of Industries, which has already been approved by the Executive Yuan, is now being examined by the Central Political Council. Modifications of this act will be submitted to the Legislative Yuan for approval and then promulgated.

With accordance to the New Law, Chinese industrial workers are soon to be insured against accidents and diseases in compliance with Law. According to its draft, factories or mines with more than 500 laborers must organize an insurance society, independently or jointly with others. Regulations, governing the internal organization of the society shall be in accordance with the general principles of the Law, and shall first be submitted to the Ministry of Industries for approval before enforcement. The New Law will divide labor insurance into two kinds, insurance against injuries and insurance against diseases. All laborers, employed in the factories or mines shall undergo insurance of both kinds, except those, whose employment term is shorter than one month, or those, whose annual wage totals more than 1,000.

The premium for injury insurance will be five per cent. of the wages, of which two-fifths are borne by the employer and three-fifths by the employee. Premium for disease insurance will be equally borne by employer and employee.

In case of injuries or diseases, the Law stipulates, the insured will be paid the subsidies for injuries or diseases, annual pension for disablement, subsidies for recuperation, or subsidies for childbirth. In case of death, the family of the insured will be paid funeral expenses or pension for the wife and children, as the case may be.

With adoption of these Laws Chinese workers will be given the degree of protection which, at present unknown, they have been striving to secure during the last decade. The introduction of social insurance system for laborers opens new epoch in Chinese Labor Legislation and awakes hope that the working class will attain social justice and thus insure the industrial peace, which is one of the most important factors at the stage of social development China is at present.

Shanghai, Oct. 15, 1935.

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"The 'North' Exists in Name But Scon May Be Lost to China"

BY C. Y. W. MENG (孟長泳)

IN last week's issue of *The Review* it was predicted that the Sino-Japanese situation was likely to become more critical than before, due to the fact that the Japanese militarists would surely take advantage of the threatening situation in Europe to gain another "free-hand" in China, to exert more military pressure on China, and to present more fresh "demands" on China, for the sole purpose of gaining effective "financial, political and military control" of China, in the same way the Japanese militarists did in 1915 when other powers were too busy in their life-and-death struggle with the Allies and when Japan took the opportunity to declare her protectorate over China by presenting to China the famous "21 Demands." Our prediction was apparently correct. Major-General Hayao Tada's declaration to create a "political organ in North China politically and economically unconnected with the Central Government" is the "signal" which informs us that history would repeat itself, and China would have to witness more Japanese "invasions" and other military actions.

That Japan has suddenly paid great attention to the China situation could easily be seen by the despatch in China of many high civil and military officials, and by the holding of many conferences in North China, Dairen and Shanghai. Major-General Y. Okamura, chief of the Second Section of the Army General Staff, has already arrived in Dairen, where it was stated he would inform officials of the Kwantung Army and the Japanese forces stationed in North China of the "new policy." Captain T. Honda, chief of the 6th section of the 3rd Department of the Naval General Staff, and M. G. Morishima of the Eurasian Affairs Bureau of the Foreign Ministry, are to leave for China on October 10 to confer with officials of the respective departments. According to the report, a conference of "Staff officials of the Kwantung Army and the Japanese Garrison in North China" would be held in Dairen on Oct. 13 and 14 to decide on a more "definite and firm policy" towards China. A conference of "Japanese resident military officials in China," it was stated, would be held in Shanghai on Oct. 20 and 21. Some high Japanese military officials in Formosa are to participate.

New "Demands" to Nanking Reported

According to another report, the Japanese militarists hav already presented some "new demands" to China.* That such demands must have a connection with Major-General Tada's declaration of creating a "political organ in North China, politically and economically unconnected with the Central Government," and also the future of "The Province of Shantung" goes without saying.

But another report has it that the Japanese militarists have also demanded that the Japanese should be permitted to send some "observers" to attend the Kuomintang meeting when the Plenary Session of the Central Executive Committee is in session. Though we have no way to obtain confirmation of this report, we are quite sure that Japanese militarists must have paid keen attention to the coming Kuomintang meeting, and must have intended to exercise more strong military pressure over Nanking with a view to wrecking the whole conference, and with a view to preventing the conference from discussing anything about China's "new policy" towards Japan. It is also very probable that the Japanese militarists, in their demands to Nanking, must have "warned" Nanking that any change in the present Chinese policy towards Japan would be met with "strong opposition" and with "all necessary actions" from Japan! A *Rengo* report from Tokyo dated October 8 had it that the "local political circles consider it significant that the Central Executive Committee and the Kuomintang hold the congresses next month, when they will formulate a new policy towards Japan."

According to further report, the Japanese militarists have also demanded China's "immediate withdrawal from the League of Nations," and "China's immediate recognition of Manchukuo." Though we have no way to obtain confirmation of this report, yet what has been discussed by the *Diplomatic Review* in Tokyo, generally regarded as the semi-official organ of the Japanese militarists, does inform us that our information is not altogether groundless. In the October issue of the *Diplomatic Review*, in an editorial on "China Should Quickly Withdraw from the League of Nations," the journal suggested two steps which China should take. They are: Immediate withdrawal from the League of Nations, and immediate recognition of Manchukuo.

Dealing with the first step, the journal pointed out that the withdrawal from the League of Nations would be tantamount to the abandonment of the "Pro-Europe doctrine," and adds that "to rely upon others for assistance" is one of the chief weaknesses of the Chinese people, and is the cause of all internal dissension. Continuing the journal says the League of Nations is only "a League of European Nations" or a "League of the White People," and what the League is doing is only for the interest and benefit of the "White People." "Therefore, China's participation in the League of Nations does not only give a reason for the League to interfere with the Far Eastern Affairs, but also is a great obstacle to the amelioration and readjustment of Sino-Japanese relations. Unless China does not care for the future of Eastern Asia, and unless China is willing to be dismembered by the powers, China should now withdraw from the League, and should work together with Japan for the revival of Asia," the journal indicated.

Dealing with the second step, the journal pointed out that China is under natural obligation to recognize the independence of Manchukuo for the "development of the people." "Should China refuse to accord diplomatic recognition to Manchukuo, it would be tantamount to an opposition against the Japanese national policy. No matter how much efforts the Chinese might exert in affecting the Sino-Japanese friendly relations and Sino-Japanese economic co-operation, etc., the 'non-recognition' of Manchukuo would nullify all these efforts," the journal averred.

The above makes quite clear the intention as well as the future policy and the nature of the "new demands" of the Japanese militarists towards China. Since the "Eastern Chahar Affair," we have often heard about the Japanese "persuasion", "arguments", etc., on China's withdrawal from the League of Nations, and China's recognition of Manchukuo. The Japanese officials have also admitted that such is their intention. The only thing is that such intention, which was crystallized into some definite demands on Nanking, has now crystallized and been embodied into the new demands to China!

Has North China Already Been Lost?

The visitors from North China informed us of the chaotic condition now prevailing in the North. The selling of opium and other illegal businesses, under the management of, or in the name of, the Japanese or Koreans, is now an open secret, which has indeed had a great demoralizing effect upon the Chinese. China the same visitors also told us about the rampancy of the Japanese "rogues" and Chinese traitors under Japanese protection. These "rogues" always purposely make trouble for the Chinese who wear the badgers bearing the names of their offices, and carry them to the Japanese camp, where they are released after having been beaten. Another visitor characterized the situation in North as "名存實亡", meaning that "in name it exists, but in reality it is already lost."

A group of 70 prominent north China businessmen and public leaders have organized the "Oriental Economic Association" to seek economic co-operation between China and Japan. But a *Rengo* report from Tientsin dated Ootober 8 tells us that the Association would have to be "merged with the Asiatic Economic Association, headed by J. Okamoto, who was instrumental in forming the new body." As to the "Hankow Incident," whether the Garrison Commander (General Yeh Feng) has been dismissed, and whether the Chairman of the Hupeh Provincial Government (General Chang Chuan) has extended his official apology to the Japanese, as demanded, we do not know. But the Mayor of Hankow (K. C. Wu) is reported to be scheduled for dismissal. That is to say, the Japanese militarists have almost gained complete control in North China, and are now in a position to "dictate" to China to do what they demand!

What is Nanking's Reaction?

Facing such a situation, what Nanking is going to do is indeed being keenly watched, and anxiously awaited, by the whole nation! Whether Nanking would follow the precedent by agreeing to the Japanese demands wholesale; or whether Nanking's "patience" is now being "exhausted," we do not know. But the stiff resistance put up by the Abyssinians in opposition to the invasion from a country far superior in war equipment is likely to have some effect upon the Chinese. In 1905 the victory of Japan over Russia inspired the Chinese and Manchu Court with the belief that an Asiatic nation by adopting the western methods and institutions was capable of attaining parity with the western powers, so a Constitutional Commission was immediately despatched to Japan, America and Europe to study the various systems of constitutional government and to report the findings for a constitutional system of government for China. The Abyssinian courage not to yield to the Italian demands and their determination to fight against

**Since the above article was written the writer has been informed that the National Government is planning to issue a denial that any fresh demands have been presented recently. However, the Chekiai News Agency reported on Oct. 16 that Akira Ariyoshi, the Japanese Ambassador, had requested an appointment with Wang Ching-wei, president of the Executive Yuan, for the purpose of discussing the new Japanese policy towards China which is being conveyed to the Japanese diplomatic representatives by Goro Morishima, chief of the First Section of the Oriental Affairs Bureau of the Japanese Foreign Office.*

the invaders, which have won them the world admiration and sympathies, are likely to produce the same inspiration to the Chinese, and are likely to have the same repercussion.

Chou Lu, a veteran member of the Kuomintang and now a leading spirit in southern politics, in his speech delivered at the Memorial Service, had urged the Chinsse "to do what the Abyssianians are doing in face of the Italian invasion." Since the actual outbreak of the Italian-Abyssianian "undeclared" war, most Chinese papers, in their editorials, characterized the war as the "awakening of a weak race," meaning that China, being also one of the weak races, should also wake up!"

Chinese Reactions vs. Major-General Tada's Declaration

In the past, for example when Japan presented the infamous 21 demands to China, or when Japan took any action of a similar kind, it was usually met by a nation-wide boycott of Japanese goods by the Chinese populace. Japanese steamers in Chinese ports were compelled to tie up; the Japanese godowns were piled up with Japanese goods, while the holding of huge meetings and long processions, distribution of hand-bills, and posting of slogans, with inscriptions such as "down with Japanese Imperialism," etc., were the features of the day. The Government was urged not to accept the Japanese demands, but instead to sever economic relations with Japan, etc. Though the boycott did not last very long, it nevertheless did great damage to the Japanese economically.

But since the outbreak of the Sino-Japanese crisis in 1931, and due to the strong Japanese military pressure, such reactions on the part of the Chinese have no longer been possible. Apparently, due to the policy of "compliance," the Chinese authorities have agreed to suppress such actions. But let it be pointed out that this does not mean that such reaction has died out altogether. Only a few days after Major-General Tada's declaration, we read a lengthy "manifesto" to the nation issued and signed by the organizations of the Chinese "scholars, farmers, laborers and merchants, and the Chinese women." After referring to the Japanese invasion of Mukden on the fatal night of September 18, 1931, the manifesto regretted that Major-General Tada should have issued such a declaration "just at the time when Sino-Japanese relations are improving." After characterizing Tada's declaration as most "absurd," "nonsensical" and "ridiculous," the manifesto says that the declaration is most "insulting" to the Party (Kuomintang) and the Chinese leader (meaning General Chiang Kai shek), adding that the Japanese authorities took up the matter so seriously when one Chinese paper (meaning the *New Life* Magazine) in an article (meaning "A Gossip About Emperors") merely referred to the Japanese emperor. But now the Japanese militarists themselves openly insult the Party and the Chinese leader. The manifesto concluded by urging the people to rise and to get "impatient."

Though, as far as we know, such manifesto is banned from circulation by the Chinese authorities, it should be more than sufficient to convince the Japanese that the Japanese militarists might go on to take more military action to invade and occupy further Chinese territories, but they could never win over the "hearts of the 450,000,000 people." The Chinese authorities might go ahead and suppress the Chinese reactions in opposition to the Japanese invasion, but such reaction would never die out. So today, outwardly, we do not see any Chinese reactions, due to the fact that they are being suppressed. But in fact the 450,000,000 Chinese always remember their "Alsace-Lorraine" by heart!

U.S. Holds the Key to the Situation!

So, when the whole situation is analyzed, it is somewhat as follows: On the one hand, the Japanese militarists are determined to take advantage of the threatening situation in Europe to effect their "political, economic and military control of China." But on the other hand, there is a great likelihood that China would lose her "patience." Then, would there eventually be another Sino-Japanese war? Would there be another catastrophe falling on the Far East which would start another world war?

However, amidst our state of despair and hopelessness, there is one hopeful sign That is, America, which is destined to play a great part in the Far Eastern affairs, but which has so far remained quite aloof, has begun to show great concern concerning the Far Eastern situation. The United States has been going on quite vigorously with its naval construction program. Through agreement, three or four of the American battleships are to be stationed in Hongkong for a considerable period. Would there be another American "naval demonstration" in the Pacific, as there was in 1909, to show the "mightiness of the American navy to the Island Empire?" Would this mean American intention and determination to save the whole situation in the Far East before it is too late? Would this mean "Anglo-American co-operation"—which would have saved the situation right after the outbreak of "Mukden Incident," but which was unfortunately not recorded—to thwart the Japanese aggression in China? To us, the situation in the Far East, which is indeed pregnant with every possibility of danger, can only be averted when these questions are answered in the affirmative!

Nanking, October 11, 1935.

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Japanese Oust One Hankow Official—Dictate Appointment of Successor

BY THE REVIEW'S HANKOW CORRESPONDENT

THE Japanese thrice-repeated demand for the immediate dismissal of the Wuhan Garrison Commander Yeh Peng has caused not a little disturbance in this area. Foreigners have noted the brazen way in which the Japanese consul-general at Hankow, Y. Miuri, has been asking for the head of Yeh Peng on a platter. Many of them have also commented on the invasion of Japanese military tactics from north China into the Yangtze valley.

Chinese Editor Offers Not a Word of Comment

Amusing and yet tragic is the way this incident was reported in the Chinese-owned and edited *Hankow Herald*. No comment is given and only the barest facts. We quote from the issue of Oct. 12, 1935:

"The dismissal of General Yeh Peng from his position as Commander of the Wuhan Garrison was officially announced yesterday by the Headquarters of the Chairman of Military Commission . . . .

With the dismissal of General Yeh Peng, the incident over the display of the alleged anti-Japanese posters in the Garrison Headquarters, which was the cause for several protests from the Japanese authorities here, was considered closed."

British Editor Lauds Yeh Peng

However, the British paper, the *Central China Post*, in its editorial last Monday, Oct. 14, 1935 had some caustic remarks to make, as will be seen from the following excerpts:

"'He would rather twist the British Lion's tail than pinch the whiskers of a Japanese marine.'

"This very candid confession published in the *North China Daily News* was made by Dr. Lin Yu-tang in his address to the Pan-Pacific Association in Shanghai when it celebrated, at the end of last month, the 422nd anniversary of Balboa Day . . . .

"The remark made by Dr. Lin (which heads this article) was brought home to us by the recent dismissal of Gen. Yeh Peng, the Hankow Garrison Commander—it has been reported this dismissal is largely due to Japanese protests with regard to anti-Japanese posters in the local barracks—and the news which has been coming to hand over the formation of Sino-Japanese trade organizations.

"Gen. Yeh has proved himself an efficient and conscientious officer and, while he held the post here, Hankow has enjoyed peace with a minimum of political agitation, and the example he set during the flood will long be remembered with gratitude by the Hankow people. Yet he has to go, allegedly a martyr to politics.

"Then turning to the trade organizations, which seemingly are coming into being even in the teeth of the oft-asserted animosity felt in this country against Japan, one can be sure from the results of similar ones in Manchukuo that these will be made greatly to enhance the Japanese returns."

Hankow Chamber of Commerce Entertains Gen. Yeh

That he was honored and respected by his own countrymen in Hankow is evidenced by the dinner given in General Yeh Peng's honor by the Hankow Chamber of Commerce on October 12. Every one except the Japanese officials seems to feel sorry to see Gen. Yeh leave. But the law of the Nipponese is like the law of the Medes and Persians "that changeth not."

Exit Gen. Yeh Peng: Enter Gen. Cheng Chi-cheng

The Japanese are growing more and more efficient in the art of tail-twisting. The tail of the Chinese dragon is a case in point. With three sudden twists Gen. Yeh Peng is ousted from his position as Garrison Commander in the Wuhan area. Another twist and in comes Gen. Cheng Chi-cheng to take the vacant place. This is the invisible government which goes on masked as protests, etc. Back of it all is the deep-seated determination of Japan to dominate China, to dictate the policies she shall follow and to appoint the men who shall carry them out.

The new incumbent, General Cheng, is Commander of the First Army.

Chiang Kai-shek Consolidating Northwestern Provinces

Flying from Chengtu, Szechwan, to Sian, Shensi, Generalissimo Chiang Kai-shek, Chairman of the Military Affairs Commission, conferred with Marshal Chang Hsueh-liang, newly appointed Deputy Commander of the Northwestern Anti-Bandit Forces.

From Lanchow comes the word that Gen. Chiang Kai-shek was expected to put in an appearance there soon. The people in Kansu have been under a cloud lately and hope that the coming of the Generalissimo will mean the complete suppression of the Red menace in their province.

The Generalissimo Flies to Loyang, Kaifeng and Taiyuan

Some big plans are being hatched out during these conferences at Loyang, western Honan, and in Kaifeng, the capital city. Gen. Liu Chih, the Chairman of the Honan Provincial government, met him in Loyang and accompanied him to the metropolis, where a large delegation met them.

The next day, Oct. 13, General Chiang Kai-shek departed for Taiyuan, capital of Shansi province, where he is discussing the many problems of Red suppression and national reconstruction with Marshal Yen Hsi-shan of Shansi.

Red Situation in Kansu Brighter

Latest reports from Lanchow, capital of Kansu, state that the situation on Oct. 11 was much easier than it had been for some days past. There are still about a score of foreigners left in Lanchow, after the evacuation of a score of missionaries and three children.

One missionary, a dentist, is remaining in Lanchow to do some dental work for the governor. In lieu of this the governor promises him a huge military escort should it be necessary to evacuate Lanchow in a hurry for Sian by motorcar.

Missionaries Evacuating Down Yellow River on Skin Rafts

The missionaries who evacuated Lanchow, Kansu, last week, Oct. 9, have safely negotiated the rapids below this city and are trying to make Chung Wei by the evening of the of October 11. From there they will continue to float down-river on their two 300-goatskin rafts to Paot'ou, when they will proceed to Peiping by train.

Kansu Governor Assists Missionaries

The governor of Kansu has promised to send telegrams requesting their assistance to government officials along the route taken by the evacuating missionaries, especially those in Ninghsia province. Although this route down the Yellow river is at the moment safer than the bus route from Lanchow to Sian, it is by no means absolutely safe. Roving bands of local Chinese and Mongolian robbers are not uncommon along this route.

Reds 400 Li Southeast of Lanchow

It seems almost hopeless for the government intelligence service in Kansu to keep up with the movements of the Reds. The latest reports to hand indicate that one group of Reds, 5,000 strong, are concentrating about 400 li southeast of Lanchow, the Kansu capital.

Government Troops Occupy Mission Property

The old story repeats itself, government troops are making use of evacuated mission houses for storing grain, billeting troops, etc. Some of the missionaries are appealing to the governor to stop this nuisance.

Reds in Desperate Straits in Kansu

The recent reports which have been appearing to the effect that the communists away in the West were in a desperate state is now confirmed. These Reds are spread over the area in Tibet from Sungpan, through Merge to Ngawa which has necessitated the Ngawa Queen taking refuge along with her subjects in the Golock country. This part of Tibet has been suffering famine conditions and, as a result, the younger members of the communists forces are now reported to be killing off the older ones—this developing into sheer anarchy in many districts. What promises to make matters even worse is that the communists who were stated to be in the Mingchow area in Kansu are now trekking off in large numbers in an attempt to escape through the Sungpan country. To try and cross the high Tibetan plateau in winter is madness enough but to do this when their comrades there are already starving can have but one end. There are indications that the government forces are now preparing to act against them in north Shensi. It would appear that they plan to drive these subversive forces west into the Ninghsia area. Meanwhile Ninghsia province is getting ready to withstand the onrush which should develop after the Yellow River freezes. If this strategy is successful the communists will be caught between two fires and the present grave problem in northwest China adequately solved.

Chiang Kai-shek Organizes Headquarters At Ichang

On the tenth of October, the Generalissimo Chiang Kai-shek established the headquarters of the Chairman of the Military Affairs Commission at Ichang, Hupeh, west of Hankow on the Yangtze river. The military operations of the border districts of the provinces of Hupeh, Szechwan, Hunan, and Kweichow will be directed from this new headquarters. General Chen Shen, the Generalissimo's Chief of Staff will be in charge of this office.

Intimate Account of Ho Lung's Red Activities in Hunan

Authentic details are now to hand from foreign sources as to what happened in north Hunan during the latter part of August and the first part of September. This was when the communists from Hupeh invaded that territority and captured several towns, and the city of Changteh was at one time thought to be in danger.

The anxiety felt about Changteh at the time was well grounded for the Reds under Ho Lung came in and on one day, August 26, occupied the three townships of Anfu, Lihsien and Tsingshih. The advance was carried out with spectatular speed which perhaps was easier to do than one would consider, as all troops had previously been withdrawn from the sector. The marvel was that foreign missionaries, in the form of Spanish priests, were successful in escaping capture. These got out only by the narrowest margin. The Priest at Anfu, hearing that the communists were coming, packed what things he could and made for the bus station. Getting there he found the two vehicles ready to start and he took his place in the first in line. The engines were running and everything was ready for them to leave but they delayed for some baggage to arrive. Hardly had the priest taken his seat when a red uniform soldier appeared on the road right opposite the bus. He ordered the driver to stay where he was but the intrepid man threw in his clutch and accelerated and got his machine away. Not so lucky the second bus, for although the driver tried to follow suit a squad of red soldiers appeared on the scene and surrounded it.

Hankow, Oct. 14, 1935.

Secretary of War Dern Will Arrive Here October 21

George H. Dern, U. S. Secretary of War, will arrive in Shanghai Monday Oct. 21 on board the U.S.S. *Chester*, for a short stay in China. The party includes Mr. and Mrs. Dern and their son James G. Dern, Colonel Campbell B. Hodges, Major Harry J. Bishop, and Captain H.J. Abbott, commander of the *Chester*. Mr. Dern will proceed from here to Nanking to pay his respects to the Chinese Government, according to a statement issued by the U.S. Consulate-General. Nelson Trusler Johnson, the American Ambassador to China, is arriving here from Peiping to welcome Mr. Dern, and will accompany him on his trip to Nanking.

A guard of honor will be furnished by the Fourth U.S. Marines when he lands and he will be met by representatives of the Diplomatic and Consular Bodies. A reception will be given by the American community at the Columbia Country Club in the evening, and he will be entertained at dinner on Oct. 22 by Edwin S. Cunningham, the U.S. Consul-General, at his residence.

Mr. Dern and his party will entrain for Nanking—where he will call on Wang Ching-wei—at 11 o'clock on the evening of Oct. 23, returning here the following day. He will then be the guest at a dinner given by Gen. Wu Te-chen, Mayor of the Municipality of Greater Shanghai. On Oct. 25 the party will re-embark on the U.S.S. *Chester*, which sails at noon that day for Manila.

Mr. Dern Is Received by Japanese Emperor

Mr. Dern was received in audience by Emperor Hirohito in Tokyo Oct. 15. Mr. Dern the previous day visited the Imperial Palace, where he signed the Emperor's book and also called at the Omiya detached palace, where he signed the book of the Dowager Empress.

The Secretary of War spent most of his time in Japan visiting important points. He viewed the Meiji Shrine and remarked on its atmosphere of peace. He also said that the shrine reminded him somewhat of Mt. Vernon, the old home and burial place of George Washington. Mr. Dern visited the Foreign and War Offices Oct. 15. In the evening he was a dinner guest of K. Hirota, the Foreign Minister.

During his stay in Japan Mr. Dern carefully refrained from granting interviews on subjects of international interest. Instead, he has commented on American business improvement, and has predicted the re-election of President Roosevelt in 1936.

Vice President Garner Due Here Nov. 2

John Nance Garner, Vice-President of the United States, and several Senators will visit China beginning of next month on their way to Manila, where they are to attend the ceremonies for the inauguration of the new Commonwealth. He and the Senators are expected to arrive in Shanghai on November 2 in the s.s. *President Grant*. After one day's stay the party will proceed south.

Foreign Missionaries in Interior Must Observe Land Lease Regulations

Foreign missionaries in the interior are subject to no restrictions other than those provided in the Provisional Regulations governing the Lease of Land or Houses by Foreign Missions, according to a ruling rendered by the Ministry of Interior pursuant to an inquiry from the Honan Provincial Government. In its reply, the Ministry stated that if the Catholics or other Christians concerned are Chinese their conduct must conform to Chinese laws and ordinances. Any Chinese Christian who violates the existing laws or ordinances of the country, under any pretext whatsoever, must be dealt with in accordance with law.

Foreign missionaries working in the interior, the reply continued, must observe the Provisional Regulations governing the Lease of Land or Houses by Foreign Missions in the Interior. No other restrictions on them are provided for by the existing laws and ordinances.

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Speed Recovery.

Recovery from an illness is often slow because the blood has become impoverished, scanty and thin; therefore to regain health and strength the main essential is to build up the blood. Dr. Williams' Pink Pills rapidly improve the blood, and their efficacy during convalescence is strikingly proved in the case of Mrs. Margaret Brethour of Cornwall, Ontario, Canada, who gives all the credit of her quick recovery to this world famous tonic.

"I was in hospital four months after the birth of my baby," states Mrs. Brethour, "and came home weighing only sixty five pounds. I began taking Dr. Williams' Pink Pills and it wasn't long until I weighed ninety five pounds, and my general health was of the best. Every spring since then I take the pills as a tonic, and would not be without them, I strongly recommend them to all mothers."

Dr. Williams' Pink Pills are the ideal tonic in any illness which has impoverished blood as a basic cause. They also are a proved specific for nervous debility, digestive weakness, rheumatism, sciatica, lumbago, and the ailments peculiar to women. Chemists everywhere sell

Dr. Williams' Pink Pills

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Japanese Lose Six Killed in Most Serious Clash With Soviets

A formal protest against the alleged violation by Soviet troops of the Manchukuo border Oct. 12, which precipitated an armed clash causing the death of six men and injury to five others, was handed to Michael Slavutsky, Soviet Consul-General in Harbin, Oct. 14, by the Manchukuo authorities.

The incident took place at a point 20 kilometers north of Suifenho. The dead include a Japanese civilian who was acting as a guide, one other Japanese, and four "Manchukuoans".

According to a Kwantung Army communique, a party of 35 men were dispatched to the scene of a previous incident which occurred on Oct. 6 to carry out a full investigation. Included in the group were a Japanese gendarmerie sergeant and two Manchukuo officers who were involved in the earlier fracas.

"While this detachment was engaged in restoring border markers"; the statement said, "a force of about 50 Soviet soldiers, possessing four to five heavy machine guns, suddenly opened fire without warning. Our troops were constrained to return the fire."

The spot where the conflict took place is the same as that where, according to the Manchukuo Department of Foreign Affairs, Manchukuo frontier guards were fired upon by Soviet soldiers at about 1 o'clock in the afternoon of Oct. 6. The Manchukuo troops repulsed the alleged attackers after a half-hour combat, according to an official version.

The Hsinking Foreign Office communique further charged that as the Manchukuo guards were returning to their barracks, they were again attacked by 12 or 13 Soviet cavalrymen, but managed to drive them back after severe fighting. One of the Soviet horses was captured.

Commenting on the incident, a spokesman of the Kwantung Army declared that the clash shows that the proposed establishment of a frontier conflict arbitration commission between Japan, Manchukuo and the U.S.S.R. would be useless unless the borders of the new State were first clearly demarcated.

Moscow Also Files Protest With Tokyo on Border Clashes

A protest was filed Oct. 14 by Constantin C. Yureneff, Soviet Ambassador to Tokyo, against three recent alleged incursions into Russian territory by Manchukuo and Japanese troops. In an interview with Foreign Minister Hirota in Tokyo Oct. 14, Mr. Yureneff presented two demands:

1.—An investigation into the clash on Oct. 6 between Soviet border guards and Manchukuo troops north of Pogranichnaya.

2.—The establishment of a tri-partite commission to investigate the clashes of Oct. 8 and 12.

A memorandum charging the Manchukuo and Japanese troops with attacking Soviet border guards on Oct. 6 was filed on Oct. 12. A protest in regard to the other two alleged incursions was contained in a formal note filed with the Tokyo Foreign Office the same morning.

In regard to the proposed establishment of an investigatory commission, Mr. Hirota said that as the troops involved in the clashes were part of the Manchukuo forces he would refer the matter to Hsinking.

The Foreign Minister also reportedly suggested that Soviet Russia pay serious consideration to the demarcation of Soviet-Manchukuo frontiers, whose vagueness has been responsible for the frequent border incidents. A delineation of the boundaries would aid, the added, in basically readjusting the relations among the three nations.

Opinion in both official and non-official circles in Tokyo was quoted by the *United Press* as believing that the latest Soviet-Manchurian clash is not likely to lead to "grave consequences."

***

Incident Causes Concern in Washington

A Washington message stated that American moral influence will be exerted to the fullest to prevent the aggravation of the Soviet Manchurian dispute regarding alleged border violations, and also to avert the outbreak of war in other parts of the world. It was learned at the U. S. State Department that the Manchu-Soviet border situation was giving Administration officials more concern than is publicly admitted.

The *United Press* stated that the clash sharply reminded officials and the public that the strategic frontier of the United States lies toward Asia, where the fleet is at present concentrated, instead of in the Mediterranean, to which the Italo-Ethiopian hostilities have largely diverted public interest in recent months.

The *Chunghwajihpao* commented: It is to be noted that such incidents are by no means accidental clashes between troops of two countries. This is by no means a "local incident." It is closely connected with the international events to-day. However, despite the tense situation in North Manchuria, no formal war will be started between the two countries at the present time, as neither of the countries is absolutely sure of the outcome of such a conflict and neither has yet the determination to fight.

"Executed" Narcotic Dealer Reappears on Tientsin Streets

The other day a "dead" man walked nonchalantly down the streets of Tientsin (writes Laselle Gilman in the *China Press*). His name was Sun Teh-kung, 28 years old, who had been engaged for some time prior to his supposed execution as a dealer in heroin in the demilitarized zone, where drug agents are exceptionally active. He had been arrested, tried, convicted in a court of law, and executed before a firing squad in the town of Antsuhsien only last month. His body had been buried in a grave near the execution grounds.

When the authorities dug up the grave of the supposed corpse, they found the plain wooden coffin empty. Yet this same coffin had been interred with due ceremony only a month before.

The details of this supernatural affair spread like wild-fire through the demilitarized zone. Its fame reached Tientsin and Peiping. Necromancers took special note.

Details of police are now looking for Sun again (who disappeared after a short visit to Tientsin) and also for some of his friends, and probably for the obscure members of the firing squad, who it is suspected conspired to spare Sun's life for a consideration. Sun was a man of considerable wealth and influence in his community.

Huge Seizure of Narcotics Made Near Chingwantao

A large quantity of narcotics, including 3,000 taels (ounces) of opium, 30 taels of white pills, 370 packages of morphine and 23 carloads of opium paraphernalia, was seized this week in Liushouying, Midway between Luanchow and Chingwantao on the Peiping-Liaoning Railway, following raids conducted by the Peace Preservation Corps in conjunction with the Japanese consular police. Altogether 117 drug dealers and traffickers, including nine Japanese and Koreans, were arrested. The Japanese and Koreans were handed over to the Japanese police.

A consignment of over 200 bales of smuggled hemp fabrics valued at more than $7,300, has also been seized by the Peace Preservation Corps. The confiscated goods have been handed over to the Customs Authorities at Chingwantao.

Opium Suppression Bureau Established at Paoting

A Hopei Bureau for supervision over opium-suppression has been established in Paoting with Chu Mien-chun as Director. In pursuance of the order of General Chiang Kai-shek, President of the Military Affairs Commission and concurrently Inspector-General of Opium-Suppression, the Bureau will at once make an investigation into the total number of opium addicts in the province and enforce registration as a preliminary step towards carrying out the program of opium-suppression outlined by General Chiang.

The Tientsin Municipal Government has decided to organize an Opium-suppression Committee. A Preparatory Committee of 15 members has been organized, with Mayor Cheng Ko as chairman.

Geneva Control Committee Ends Eighth Session

The eighth session of the Drug Control Committee in Geneva ended its work on Oct. 13 after drawing up estimates for legitimate requirements of dangerous drugs in 1936 by 179 countries and territories. The figures of the Committee's estimates will be communicated to all Governments concerned on Nov. 1.

Rapid Economic and Cultural Development in Eastern Siberia

A recent *Tass* message from Irkutsk called attention to the fact that Eastern Siberia has changed beyond recognition since the Revolution. From a mere hinterland of Russia prior to the Revolution, from a source of raw materials and a place where inferior goods were sold at high prices, Siberia is now being successfully industrialized. A number of large up-to-date enterprises have been built while one of the largest locomotive and car repairing plants is nearing completion in Ulan-Ude (former Verkhnoudinsk). The technical basis of the gold mining and coal industries has been fundamentally reconstructed. The sowing area now exceeds that of the pre-revolutionary period by 50 per cent. The application of agronomic improvements and mechanization of agriculture have reached a high level. The population of Buryatia has in the main settled down on the basis of complete collectivization. The material living standards and the cultural level of the population, not long ago nomadic, has advanced greatly

Plans for Revival of North Saghalien Oil Company Formed

The North Saghalien Oil Company, which has been planning to effect a major expansion of both its prospecting and exploiting operations, has decided upon the carrying out of the state oil policy and plans for the revival of the company itself on the basis of the observations made last summer by the new President, Vice-Admiral Masazo Sakonji.

Maj-General Isogai "Warns" Sir Frederick Leith-Ross

"If Sir Frederick's mission is for the good of China and Oriental peace, we shall enthusiastically welcome his activities, but, if it is not, we shall see that he does not get very far, was the emphatic declaration make by Maj.-Gen. R. Isogai, Japanese military attache to China, on arriving in Dairen Oct. 11 from Shanghai to attend the officers' conference, in commenting on the mission of Sir Frederick Leith-Ross. Laying of the groundwork is necessary before there can be any talk of Sino-Japanese economic development of north China, Maj.-Gen. Isogai said. There are two ways of building a foundation, he continued: the first is to pour in cement, which is an active procedure; the second is to wait until the ground hardens itself, which is a passive way. "Nothing has been done in this direction yet," he added, "and I have heard that the situation in north China is again becoming worse."

The *Nichi Nichi* printed a telegram from Nanking Oct. 2 stating that China's foreign minister Ten Yu-jen had told Consul-General Suma that China is guarding against the political background of Leith-Ross's economic assistance plan.

Sir Frederick Leith-Ross and Lady Leith Ross proceeded to Hangchow Oct. 1 by motor-car on a sight-seeing trip. They were welcomed by representatives of the Hangchow Municipal Government.

Former British Ambassador Says Friendliness With Japan Is Best Policy

Friendiness towards Japan was urged by Sir Francis Lindley, former British Ambassador to Japan, in a speech at the Royal Asian Society, London Oct. 9. Britain's best line of policy, he declared, "is to keep on good terms with Japan and above all, not to encourage the Chinese unless we are in a position, and intend, to give them material assistance.

Sir Francis said that nothing had done more harm than the encouragement Britain had given to countries with which she had shown sympathy without following it up with material help. He proceeded: "Humanity of the kind which will eventually leave a country in the lurch, when that sympathy is put to the test, is not more preferable than the 'brutal' sentiments I am expressing. We should leave a thing alone when we get in a position where we say: 'We must do something.' It is better to say nothing at all than that. Many people realize that we are not in a position to contend against Japan in the Far East. They advocate a policy of close cooperation with America, which should not be ostensibly or really anti-Japanese but which will, in effect, keep Japan in check. "I am skeptical of such an idea. I cannot see any sign that the Americans would enter an armed conflict with Japan, or would be at all likely to support us if we entered one, nor do I see why they should."

British Loan to China "Unthinkable," Takahashi Says

A British loan to China at this time is "unthinkable," Korekiyo Takahashi, veteran Japanese Minister of Finance, commented in Tokyo Oct. 9.

Mr. Takahashi also saw little hope that the economic sanctions about to be enforced by the League on Nations against Italy would be effective because the Rome government has had sufficient time to take measures to cope with such an emergency.

The Italo-Ethiopian hostilities will not spread to Europe in the opinion of the 82-year old statesman.

London Financiers Greet Rumors of Loan With Derision

Rumors that Sir Frederick Leith-Ross had proposed a British loan to China has aroused derision among London financiers, who point out that Sir Frederick went to China with an open mind and with no preconceived plan whatever. It is most unlikely, they declared, that he has been authorized to make any such proposal. Great Britain is still bound by the Consortium not to lend money to China independently of the other Powers concerned. Moreover, a loan would be impossible except by public subscription, and it is known that no bank has yet been consulted on the subject. London circles attributed the rumors to a powerful group of Chinese speculators, whose activities were stated to be causing an unfavorable impression in London.

Hongkong Bishop Suggests a Minister for the Pacific

The strangulation of Chinese renaissance by certain elements in Japan was the subject of a letter from a bishop in Hongkong published in the *London Times* Oct. 9. The bishop expressed the opinion that Great Britain can do more than any other country to help the situation, and suggested that the position of Minister of Pacific Affairs would be analogous to that of the present Minister for League Affairs. The author of the letter declared that such a statesman would have the duty to cultivate the friendship of leaders of both Japan and China, as it is the business of Anthony Eden, Minister without Portfolio for League of Nations Affairs, to cultivate friendship with all the capitals in Europe, and should be able to bring the moral weight of Britain's long-standing friendship with Japan and China to bear on the problem of future relations between these two countries.

In the United States Court for China

In re. Estate of THOMAS N. THOMPSON, Deceased.

Cause No. 3960
Special Proceedings No. 1032
NOTICE
Filed at Shanghai, China, September 27, 1935
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of THOMAS N. THOMPSON, deceased, to present the same with vouchers to the undersigned on or before April 26, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MABEL HALL THOMPSON,
Administratrix,
No. 19, 1st Chan Shan Road,
Tsingtao.

Shanghai, China,
September 27, 1935.

In the United States Court for China

In re the Last Will and Testament of ROBERT ROY SERVICE, Deceased.

Cause No. 3964
S. P. No. 1034
NOTICE
Filed at Shanghai, China, This 5th day of October, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ROBERT ROY SERVICE, deceased, to present the same with vouchers to the undersigned on or before April 12, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Grace Boggs Service, Executrix,
c/o Allman & Co.
206 Hamilton House
Shanghai
(Attorneys for the Executrix)

Shanghai, China,
October 5, 1935.

Sound Refreshing Sleep At Teething Time.

Often the cutting of the first teeth are the cause of much suffering, and entail many sleepless nights for both the little one and his parents. But how easily this trying period may be overcome with the minimum of pain and discomfort if parents know the value of Baby's Own Tablets. These pleasant-tasting little tablets are the prescription of a medical child-specialist. Their mild laxative action cleanses the stomach and bowels, with the result that nerves are soothed, sound restful sleep follows, and teething becomes easy. Non-griping and non-purging, Baby's Own Tablets are equally good for the correction of all minor health troubles such as constipation, indigestion, upset stomach, diarrhoea, colds and croup, simple fever, and are of assistance in expelling worms. For children of all ages from the cradle up to twelve there is no better health safeguard than Baby's Own Tablets. From chemists everywhere.

CUSTOMS NOTIFICATION No. 1468

Notice is hereby given that, acting under instructions received from the Inspector General of Customs, I have to-day handed over charge of the Shanghai Customs to Mr. P. G. S. Barentzen, Commissioner of Customs.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 15th October, 1935.

CUSTOMS NOTIFICATION No. 1469

Notice is hereby given that, acting under instructions received from the Inspector General of Customs, I have to-day assumed charge of the Shanghai Customs.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 15th October, 1935.

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Ship Canal Across Florida Employs Needy Jobless

A 30-foot channel is being dug across Florida, on which jobless needy are being employed. When completed the route will save two-and-a-half days for vessls running between Atlantic seaports and Gulf ports. The cross-state route will leave the Atlantic at the mouth of the St. Johns River, pass by Jacksonville, turn south to Palatka, then to near Port Inglis on the Gulf through the Oklawaha and Withlacoochee Rivers.

U. S. Federation of Labor Determined to Stamp Out Communists

William Green, president of the American Federation of Labor, delivering the keynote address at the annual convention of the Federation in Atlantic City, N.J., Oct. 7, shouted defiance at Moscow and called for American repudiation of all European entanglements. The Labor executive pledged himself to renewed efforts in the stubborn battle of American Labor to stamp out Communist elements in its ranks.

Frank J. Raven Submits to Judgment—to File Bankruptcy Plea

The trial of the three civil suits against Frank J. Raven, in connection with the failure of the American Oriental Banking Corporation and allied institutions came to a quick ending in the U. S. Court for China Oct. 16, with Judge Milton J. Helmick on the Bench. Richard T. Evans, Tientsin attorney, defending Mr. Raven, in long statement, announced that his client submitted to judgment and intended to file a petition in bankruptcy. Judge Helmick thereupon stated that there was nothing before the court. The suits were filed by Frank L. Hough, liquidator, for whom Dr. George Sellett, former U. S. District Attorney appeared.

Mr. Hough sought judgments against Mr. Raven for three sums of Tls. 135,000, voted and paid as honoraria to Mr. Raven in January, 1932, by the American-Oriental Banking Corporation, the American-Oriental Finance Corporation and the Asia Realty Company.

It was the contention of Mr. Hough that these sums were voted to and received by Mr. Raven at a time when the three corporations were insolvent; that Mr. Raven knew that the corporations were insolvent; and that he wrongfully accepted the honoraria when no monies whatsoever were due to him for services rendered.

In the case of the Tls. 135,000 received by Mr. Raven from the Asia Realty Company, the liquidator alleged that for a long period of time prior to January, 1923, Mr. Raven was paid a salary by the Company covering all services rendered and that during the whole of the year 1931 this salary amounted to $2,000 per month. It was not alleged, however, that Mr. Raven received any salary from either the American-Oriental Banking Corporation or the American-Oriental Finance Corporation.

Mr. Raven is to stand trial on 15 criminal charges of fraud and embezzlement on Oct. 25. J. Warner Brown, President and Secretary-Treasurer, respectively, of the defunct American-Oriental Finance Corporation, are charged together with Mr. Raven in the criminal action. The information filed against all three by the United States District Attorney alleges that they "wilfully, unlawfully, fraudulently and feloniously embezzled and converted to their own use" divers shares of stock delivered by various customers to the American-Oriental Finance Corporation for safekeeping, and which the accused had in their control and possession by virtue of their official positions with the Corporation.

Asia Electric Co. Given 60 Days to Remedy Stock Sale Violation

Denying the application filed by Miss Viola Smith, the China Trade Act Registrar, Judge Millon J. Helmick in the U. S. Court China Oct. 15 gave the Asia Electric Co. 60 days in which to remedy a stock sale violation, but the application for the appointment of a trustee or receiver to investigate the company's affairs was dismissed, on the grounds that the U. S. Government was not concerned in the internal financial affairs of the company or with any controversy between shareholders.

Judge Helmick in his decision said that it could not be questioned that promissory notes were "personal property," and that stock could be lawfully issued and paid for by promissory notes, but the Act clearly laid down that no stock could be paid for in anything but cash unless a certificate describing the property for which it was sold, and stating the value at which it was to be received had been filed with the Secretary of Commerce or the Registrar, and providing that either the Secretary or the Registrar certified that the value placed on the property was not more than its fair mortgage value. No such certificate had ever been filed, and the Court found a clear violation of the Act.

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Who's Who in China

石毓靈
Shih Yu-lin

Shih Yu-lin, Government official; born at Huang-an Hupeh, 1892; was graduated from the Paoting Military Academy; has been in Army service for more than 12 years; after serving as a battalion and regimental commander, he was appointed chief-of-staff to the 3rd Division of the 7th Nationalist Army; later chief-of-staff to the 19th Army with the rank of Lieutenat-General; brigadier-commander of the 17th Division; Commander of the 17th Division; staff officer of the Military Affairs Commission; now Special Administrative Commissioner of the 6th Administrative Area of Hupeh and concurrently Commander of the Peace Preservation Force of the Area; address: Headquarters of the Special Administrative Commissioner of the 6th Area of Hupeh, Tienmeng, Hupeh.

石毓靈，湖北黃安人，年四十三歲，畢業於保定軍官學校，服務軍役凡十二年，歷任營長團長，第七軍第三師參謀長，第十九軍少將參謀長，第十七師旅長及師長，軍事委員會高級參謀，現任湖北第六行政區行政督察專員兼任該區保安隊司令（通訊處湖北天門第六行政區行政督察專員公署）

Shanghai Scores in Track and Field Events at National Athletic Meet

For the great mass of Chinese in Shanghai and to a certain extent in other parts of China, the principal news of the week was the National Athletic Meet held at the Civic Center Stadium. A reflex of the event was that the *China Press*, daily newspaper in Shanghai printed in English but largely owned by Chinese, has been coming out with the news sections of the paper buried inside the "Sporting Pink," in which have been printed details of the event.

K. S. Chang, sports editor for the said paper in the issue of Oct. 16 said that, after six days of spirited competition, the field and track championships, the main bulk of the Meet, had been completed the previous day. When the 10,000-meter grind came to a close on the newly laid cinder path, statisticians got busy and found that Shanghai had scored overwhelming victories in both the men's and women's divisions. This city was so far in front that its nearest opponents had to use telescopes to locate the whereabouts of its representatives. In the track championship for men, Shanghai accumulated a grand total of 77 points to retain the title it won at Nanking two years ago. The number of markers garnered was three times that of the second placer, Malaya, which gathered 23. Shansi, mainly throught the efforts of its long distance stars, emerged third from the six-day contests with 17. The margin of Shanghai's victory in the field championship was narrower, but it still had plenty to spare. The local athletes won only two firsts in this department but they were prominently placed in every one of the seven events to come out at the top of the heap with a total of 51 points. Liaoning finished second with 24, while Peiping ranked third with 19. Nanking was fourth with 19 markers.

Miss Y. D. Chen, also of Shanghai stood out in the field events. She won the discus throw and shot put, with new national and meet records respectively. Miss Y. S. Chien, who was the sensation of the last National Meet, was eclipsed in her performances, but she managed to maintain part of her reputation by winning the 80-meter hurdle race in the new record time of 14.4 seconds.

In the men's division, L. Z. Chia of Shanghai shone forth as the only winner. He won the 800-meter race in the new national time of 2 minutes, 3.1 seconds and on the following afternoon, he romped home a winner in the 1,500-meter event in 4.23.2, only 1.8 seconds above the national mark. The feat among men was, however, performed by Paul Fu of Shanghai. The sinewy athlete from Harbin bettered his own pole vault record on Monday when he cleared the high barrier at the 3.90 meter mark which is not far away from the Far Eastern record, held by Nishida of Japan since 1930. Nishida's prized mark is exactly four meters.

In the United States Court for China

In re.
the Estate
of
KENNETH ERIC JOHN AINSWORTH DABELSTEIN
Deceased.

Cause No. 3965
Special Proceedings No. 1035.
NOTICE
Filed at Shanghai, China, October 7, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of KENNETH ERIC JOHN AINSWORTH DABELSTEIN, deceased, to present the same with vouchers to the undersigned on or before April 12, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

N. F. Allman,
Administrator,
Hamilton House,
Shanghai, China.

Shanghai, China,
October 7, 1935.

In the United States Court for China

In re.
Last Will and Testament
of
LIZZIE EDITH CHUBBUCK KEMPTON,
Deceased

Cause No. 3966
Special Proceedings No. 1036
NOTICE
Filed at Shanghai, China, October 14, 1935.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of LIZZIE EDITH CHUBBUCK KEMPTON, deceased, to present the same with vouchers to the undersigned on or before April 20, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

GEORGE ASHMORE FITCH,
Executor,
c/o Foreign Y.M.C.A., Shanghai.

Shanghai, China.
October 14, 1935.

Men and Events

Judge Pang Ting of the Kweihua District Court (Suiyuan), is to be removed from office and suspended from the civil service for one year, for accepting bribes and violation of the Code of Civil Procedure in the trial of a debt case.

Madame Chiang Kai shek arrived in Nanking from Shanghai aboard Gen. Chiang's private Ford plane, Oct. 15. The Generalissimo was personally present at the airdrome to greet his wife.

Princess Der Ling returned this week to Shanghai from her sightseeing trip to Peiping. Princess Der Ling recently returned to China after an absence of several years.

A census of the of the Foreign Settlement of Shanghai will be held next week. The forms will be distributed Oct. 22 and collected Oct. 24. The census is taken every five years.

Miss Esme Barton, daughter of Sir Sidney Barton, British Minister to Abyssinia, sailed from Jibuti, for China Oct. 13. Her father was formerly British Consul- General at Shanghai.

The marrage took place at Hangchow Oct. 12 of Miss Ruth How to Dr. P. W. Kuo. The bride is a sister of Bang How of Shanghai. Dr. Kuo is managing director of the Shanghai Trust Company.

An illustrated novel dealing with Chinese life in the current issue of *Cosmopolitan* by Pearl Buck is accompanied by a four-word Chinese phrase in big block characters—a feature of which is that it has been printed in two places, both times upsidedown.

The Union of Cossacks in the Far East and the officers of the former Far Eastern Army attended a special religious service in the Russian cathedral in Shanghai Oct. 13 to celebrate the birthday of Ataman Gregory Semenoff.

"War, What For?" is the title of an eight-page monthly journal published in Sydney, Australia by the National Movement Against War and Fascism. The principal article in the August issue was: "Hands off Abyssinia—Halt Italy's Civilizing Mission."

Miss Barbara Miller, for a long time on the staff on the *North China Daily News*, is due to pass through Shanghai shortly on her way to take up a position in Singapore. Miss Miller has been in the United States for the past year.

Mrs. Albert Peck, aged mother of Willys R. Peck, counsellor of the American Embassy in Nanking, who was taken to the Shanghai Sanitarium several weeks ago in a serious condition, is reported to be improving.

The Asia Electric Company, Federal Inc. U.S.A., closed down one of its plants at 285 Hochien Road, Shanghai, on October 10, because of the business depression. The concern employed 140 workers who have been paid off.

The First Battalion U.S.M.C. and the Second Battalion will stage a football match on the Shanghai American School grounds on the afternoon of Oct. 19. Proceeds from the game will go to the American Civilian Relief Fund.

Madame Alfred Sze, wife of the Chinese Ambassador to Washington, is scheduled to arrive in Shanghai next month. Madame Sze will be accompanied by her son, Deson Sze, who has been connected with the National City Bank in New York.

It may be a matter of some interest to readers of *The Review* to know that the city of Haichow (so referred to by Chinese news services and foreigners generally) has recently been renamed Tunghai and is so designated on Chinese postal maps and post office literature generally.

With the closing of the Foochow branch of the International Savings Society, the French Consulate in said city also ended its activities. In the future all consular business of Foochow will be handled by the French Consulate in Amoy.

John Davies, formerly a language student in the American Embassy at Peiping and recently transferred to a post in the consulate at Mukden, passed through Shanghai this week *enroute* to visit his parents, the Rev. Mr. and Mrs. J. P. Davies of Kuihua.

K. H. Ling, president of the National Associated Chambers of Commerce of China, celebrated his sixtieth birthday, Oct. 10. Among those prominent in congratulating this prominent social and political worker were Dr. H. H. Kung, General Wu Te-chen, General Chang Chun, Dr. C. T. Wang, and Yu Ya-ching.

A. Morley, editor of the *Shanghai Times*, presided over the weekly Shanghai Rotary tiffin Oct. 10 as the new president of the organization. Mr. Morley succeeds G. W. Philleo, former Rotary head, who has gone to the United States, where he expects to reside in future.

The Japan Tourist Association of Shanghai entertained several hundred guests at a cocktail party, at the Shanghai Science Institute, 320 Route Ghisi, Oct. 15. Masao Tsuda, resident representative of the Imperial Japanese Government Railways, received the guests, assisted by officials of other Japanese transportation services. Four films depicting Japanese life were shown.

The Far Eastern Economic Association promoted by prominent Chinese business and financial leaders of North China will be formally inaugurated on October 20 at the Peiyang Hotel in the Japanese Concession in Tientsin. The *Shun Pao* says the Association will cooperate closely with the Great Asia Association of Japan for the economic development of North China. The Japanese Preisdent of the Great Asia Association arrived in Tientsin, Oct. 15 to attend the opening ceremony of the new Far Eastern Economic Association.

James Glendenning Wray, noted telephone expert, was scheduled to speak at the first meeting of the American University Club in Shanghai on Friday, October 18, on "Sixty Years of Telephone Progress." Mr. Wray is now in Shanghai as a member of the Telephone Inquiry Special Committee of Telephone Experts.

Dr. Erik T. Nystrom made an address on "Hunting Gold Metallic Ores and Petroleum with Electricity; the Modern Miracle of Geophysics" before the North China Branch of the Royal Asiatic Society in Shanghai, Oct. 17. The meeting of the Society was held in the Wu-Lien-Teh Hall, 20 Museum Road.

Wei-ping Chen, Chinese Consul-General at Sydney, Australia, has been granted a leave of absence of one month by the Ministry of Foreign Affairs to return to China to attend the forthcoming 5th National Congress of Kuomintang Delegates as representative of the Overseas Party Organizations in Australia, and will start his journey home shortly.

Judge Milton J. Helmick in the U.S. Court for China Oct. 14 granted a divorce to Mrs. Warren Bradbeer, an American citizen, from her British husband, George F. Bradbeer, a member of the British Defence Force, now stationed in Malta. Although he had been notified of the suit against him, no appearance on his behalf was made. The decision was based on precedents established by Judgess Lobingier and Purdy.

The troop of Chinese Boy Scouts sent to America last Summer arrived back in Shanghai Oct. 11. The party is in charge of the Rev. Benjamin Yen, assisted by Hsu Kwan-yu. The scouts were chosen from 10 different provinces as crack representatives of the Chinese Boy Scouts.

A fine of $54,000 was imposed on Cheng Chin-yu, proprietor of the Yung Tai (Wing Tai) tobacco store, in Honan road, Shanghai, by Judge Tseu in the First Special District Court Oct. 9 on charges of having evaded Government consolidated and stamp taxes amounting to more than $27,000. The evidence showed that said establishment sold cigars between Februaty, 1933, and December, 1934, without paying tax. Many account-books, which did not bear revenue stamps, were also found.

Li Chuen-pin, a radio operator on the staff of the Shanghai Office of the *Central News Agency*, was killed while walking along the pavement in Hankow road, Shanghai, Oct. 9, when an automobile, driven by C. H. Ridgway, inspector of the Revenue office of the Shanghai Municipal Council, skidded on the wet road and jumped onto the pavement, knocking Li down from behind.

Koo Tso-hsien, a prominent Chinese merchant who owns many theaters and hotels in Shanghai and who was recently arrested on suspicion that he had instigated the murder of Tang Ka-pong, late manager of the Great World Amusement Centre, in June, 1933, was again identified in the Second Special District Court Oct. 12 by one of the convicted murderers as the instigator, but he steadfastly denied the allegation. Hearing of the case has been postponed sine die pending further investigations.

Dr. Robert T. Bryan, of the Southern Baptist Mission, celebrated his eightieth birthday in Shanghai Oct. 14. The anniversary of Dr. Bryan's arrival in China fifty years ago was featured at the same time. Five Baptist churches united in presenting a program. Tea was served at the Eliza Yates School. Dr. Bryan is a graduate of the University of California. He is the father of R. T. Bryan, Jr., legal representative of the Shanghai Municipal Council.

Chinese Customs Officers Not Permitted to Search Japanese Smugglers

A Japanese living at 180 Quinsan road, Shanghai, was accosted by Chinese Customs guards on the Nippon Yusen Kaisha Wayside Wharf as he was about to board a ship for Japan Oct. 14 on suspicion that he was trying to smuggle silver out of the country. A near riot riot resulted as the result of the attempt to search this Japanese passenger. A Japanese Consular Police officer intervened and took the suspected Japanese and his baggage to the Japanese Consulate General. There silver was found in his possession, A Japanese Consular spokesman stated that appropriate action would be taken against the smuggler. The Japanese Consulate General emphasized, however, that while it would cooperate with the Chinese customs authorities in anti-smuggling efforts, it would not allow any Japanese national to be seized or searched by Chinese officials.

American Sailors Stated to Have Killed Chinese at Chingwangtao

The *North China Daily News*' correspondent at Peiping telegraphed Oct. 14 that the Chinese and American authorities are making every effort to settle an incident which recently occurred at Chingwangtao in which a Chinese was killed by American sailors. According to Chinese sources the victim was the sole support of a family of eight, but the American authorities have declared their willingness to meet all reasonable demands in order to achieve a settlement of the case. The Chinese demands include monetary compensation, a guarantee that there would be no further incidents of a similar nature and the punishment of those responsible for the affair.

American Woman, Married to Chinese, Found Murdered at Nanking

Dr. Susan Waddell Hsu, an American women married to a Chinese, and a member of the faculty of the Central University in Nanking, was found dead on the morning of Oct. 15, near Peichihkoh, a lonely spot on the northern side of the Nanking city railway. An injury on her neck indicated that she might have been strangled. A gold watch and over $100 in banknotes, which she was known to be carrying last, were missing from the body.

Dr. Susan Waddell Hsu was a daughter of John M. Waddell, She was previously connected as a teacher with the Cheloo University in Tsinan, Shantung Province. She graduated at the University of California, and later married Dr. Hsu Hsih-chu, who is connected with the Government Hygiene Department. Although the deceased married a Chinese, she had neither renounced her American citizenship nor applied for Chinese papers.

Movement for Decreased Rents Directed Against Hardoon Estate

The movement for rent reduction in Shanghai was given a new impetus this week when three different organizations launched new campaigns seeking the support of the public and asking the authorities to order a general reduction. Two of the associations are located in Chapei and their activities have so far been confined to Chinese territory, while the other one is in the Foreign Settlement.

The main target of the movement at the present time is the Hardoon estate, administered by Mrs. Liza Hardoon, widow of the founder of the estate. This estate owns most of the shop properties on Nanking road and in many cross streets—comprising the principal retail shopping district in Shanghai. The tenants of the Hardoon estate have banded together and have refused to pay rent. Actions in the Court, they state, will be met with passive resistance. If their premises are sealed they will allow themselves to be sold out, confident that the premises will remain vacant, as has been the case with other properties where the tenants have voluntarily given then up.

Plans for Consular Building in Shanghai Are Being Revised

Recent advices from Washington stated that on account of the revision of architectural plans for the new American Consulate-General and Federal Building at Shanghai, the contract for the structure is not likely to be awarded before six months at the earliest. Plans for the building are now in the office of the supervising architect of the Treasury Department, it was indicated by the Foreign Service Building Commission. After the architect has submitted the final plans, approval of the Building Commission will be necessary. Following such approval, the Treasury can advertise for bids. Plans originally drafted four years ago are being revised, it is understood, to avert any possibility of the building's foundations subsiding on the Whangpoo River side.

President of Mitsui Bank Arrives in China to Inspect Branches

N. Kikumoto, the Chairman of the Board of Directors of the Mitsui Bank, arrived in Shanghai Oct. 15 with his daughter, Miss Yukie Kikumoto, on a tour of business combined with pleasure. Mr. Kikumoto is making an inspection of his Bank's branches in China. The visitor will not, it is stated, interest himself in any affairs other than those directly concerned with the local Mitsui Bank. Having just completed an extended inspection tour of all Mitsui banks in Japan, Mr. Kikumoto, it is understood, has come here for the purpose of completing his survey. President of the organization for two years only, he is the first "outsider" to hold such an important office in the bank, it formerly having been completely in the hands of the Mitsui family.

Singapore Millionaire Views Unveiling of Own Statue

Aw Boon Haw, Chinese multi-millionaire from Singapore, was present in Nanking Oct. 2 at the unveiling of a bronze statue of himself in the campus of the magnificent Central Hospital which he founded with a donation of $400,000. Dr. J. Heng Liu, Director of the National Health Administration, officiated at the unveiling ceremony, which was attended by many of the leading members of the medical profession in Nanking.

Foreign Advisors' Expenses Reduced

Approval has been given by the National Government to the request of the Ministry of Finance for the reduction of $40,000 from the foreign advisors' expenses in the budget. The sum secured from the reduction, it is understood, will be used to supplement the ordinary administrative expenses which are now not sufficient to meet the present needs.

In the United States Court for China

ALBERT FLETCHER WILSON, Plaintiff, vs. JENNY STRASGAROTSKY WILSON, Defendant.	Cause No. 3967 Civil No. 1880 ORDER Filed at Shanghai, China, October 8, 1935. William T. Collins, Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS Plaintiff herein by his attorneys, on the 7th, day of October, 1935, made application for the substitution of publication for personal service of summons upon the Defendant herein; and

WHEREAS it appears from the files of this case that on the 8th, day of October, 1935, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant can not be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 7th, day of October, 1935, ALBERT FLETCHER WILSON, the Plaintiff herein, filed an Affidavit to the effect that the Defendant herein was not residing in the Republic of China;

NOW, THEREFORE, it is this 8th, day of October, 1935, ORDERED that service upon the Defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the Defendant.

IT IS FURTHER ORDERED that the Defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 26th, day of October, 1935, the day of the last publication of the Order; otherwise the case will be proceeded with as in cause of default.

BY THE COURT.

MILTON J. HELMICK
JUDGE,
United States Court for China.

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The 25 Chapters of the 17th issue of the CHINA YEAR BOOK, edited by H. G. W. Woodhead, C.B.E., have as usual been revised or rewritten with the assistance of many experts, Chinese and foreign, and every effort has been made to bring information and statistics up to date.

The Chapter on the Kuomintang covers the political history of China in 1934. The Chapter on the Chinese Government contains the Text of the Provisional Constitution, the Organic Law, and the Draft of the Permanent Constitution.

The Chapter on International Issues gives the text of the Agreement and Exchange of Notes of the sale of the Chinese-Eastern Railway, besides the latest documents relating to Sino-Japanese issues.

China's Communications—Railways, Roads, Post Office, Telegraphs, Wireless, Telephones and Aviation—are very fully dealt with.

Father D'Elia, in the Chapter on Religions, contributes an interesting Chronological Review of Catholic Missions in China.

Mr. E. Kann is again responsible for the Chapter on Currency and Banking, and the Loan Tables.

A new feature is a Chapter on China's Modern Industries.

Price: $18 (Postage in China 30 cents extra)

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17 The Bund, Shanghai.

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New Books of Interest in the Far East

Why Good and Bad Times Alternate

Strategic Factors in Business Cycles, by John Maurice Clark. New York: National Bureau of Economic Research.

This is No. 24 of the publications of the National Bureau of Economic Research. In introducing this volume it is explained that "the committee sponsored a special study, from the descriptive and statisical record which had been assembled, to endeavor to disclose, so far as might be possible, what factors play an active role in throwing the economic mechanism out of balance and what factors adapt themselves passively to the changes produced by the active factors."

In addition to the work of the committee, studies were made of factual and statistical material by others. The whole is assembled in this volume as an appraisal together with the conclusions drawn.

Describing the various business cycles as they affect the public as a whole, and giving an outline of their rises and falls, previous to, and during the present depression, the book is of especial interest to any business executive desirous of understanding the reasons for the various trends of American economic life and for the expansion and contraction of business in general.

The book gives a detailed description of American economic life and indicates the remedies needed to eliminate the wide gaps between periods of depression and business expansions.

The subjects covered include money, credit, stock exchanges, banking and other vital factors affecting the economic life of the public. The conclusions drawn are reasonable, lucid and logical.

The author concludes: "When statistical studies have done all they can do, there will always remain the question of devising new policies and new instrumentalities for carrying them out. Here factual research can be of but limited usefulness. It may help to prevent the repetition of past mistakes; but the final verdict must be given by the process of experimentation, or of trial and error. The stabilization of capital expenditures, for example, requires the forming of new types of organization; and research in the ordinary sense cannot tell us how to do this. If experimentation waits for the completion of an adequate program of research, we shall make little progress. The two lines of attack on the problem must advance hand in hand." W.

Chinese Art Described by an Expert

A Short History of Chinese Art, by Arnold Silcock. London: Oxford University Press.

This book deals with every department of Chinese art, and links up its manifestations with the conditions and history of the relevant periods. In view of the comparative strangeness of the field for most English readers, Mr. Silcock has been at great pains to connect the history of China with the history of the West, and a series of tables has been specially prepared by him showing the parallellism of events and periods.

The book is illustrated with about 30 photographs, 30 line drawings, and a map. It is, in format, rather like the book published by the same firm some years ago, entitled "The Persians." Mr. Silcock is an architect and a writer on art subjects. He spent many years in China surveying Chinese buildings, and speaks a considerable number of Chinese dialects.

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The National City Bank of New York, Rates of Exchange

Shanghai, Oct. 17, 1935

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.74
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.68
Demand selling rate on London:	£1.0.0=Sh. $13 47
Demand buying rate on London:	£1.0.0=Sh. $13.19

Chinese Economic Mission Feted in Tokyo—Economic Cooperation Foreshadowed

Establishment of a permanent Sino-Japanese organization to study means for economic rapprochement between China and Japan was proposed in Tokyo Oct. 10 by the Chinese mission, at a roundtable conference with Japan's most prominent bankers. The Japanese conferees, who represented the nation's most powerful banking and industrial enterprises, reportedly expressed themselves in favor of the suggestion. Questioned by the Japanese bankers if China would be able to tide over the current depression independently, the members of the mission declared that China's vast silver resources, not exhausted by the American silver purchase policy, will enable her to meet her foreign trade obligations. Much time was devoted by the conferees to the discussion of Chinese cotton cultivation, with the visitors asserting that the new "five-year plan" would increase China's annual output of raw cotton to 40,000,000 piculs.

The visitors were welcomed at a luncheon given by the Tokyo Chamber of Commerce and Industry. Baron Goh, President of the Japan and Tokyo Chambers of Commerce and Industry, addressing the guests expressed his earnest desire to see economic rapprochement berween the two countries. Wu Ting-chang, President of the Salt Bank and head of the mission, pledged their efforts to the materialization of Sino-Japanese economic co-operation.

A committee of six leading Japanese and Chinese bankers and business men has beguan studying means to establish a permanent organization for the promotion of economic relations between two nations. The body was formed at the suggestion of the Chinese mission at a round-table meeting with Japan's most prominent financiers and commercial leaders.

Four officials from the Bank of Communications will hold a roundtable discussion with delegates from the Industrial Bank of Japan, the Bank of Taiwan and the Bank of Chosen on Oct. 24, it was announced in Tokyo Oct. 12. The three latter institutions will act as representatives of the Japanese consortium that negotiated loans to China. These Chinese bank officials are visiting Japan as members of an economic mission.

Mrs. Katherine Hadley Is Taken to Holloway Prison in England

A *Reuter* message from London Oct. 11 stated that Katherine Hadley, who was sentenced to death on October 18, 1933, by the British Supreme Court in Shanghai for murder, had been taken to the Holloway prison in England where she will serve her term of life imprisonment. The telegram erroneously stated that she had murdered her husband, Captain Walter Clifford Hadley, on August 16, 1933.

The fact is that the man Mrs. Hadley murdered was Captain Young, South-American born, who acquired British nationality by residence in British territory. The convicted woman also was not British by birth. She came here from Vladivostock about two decades ago and married a British subject named Hadley (whose mother was a Chinese) and who committed suicide under circumstances which caused the British magistrate to severely criticize Mrs. Hadley's conduct.

The point is of interest as showing the operation of nationality laws.

National Bar Association, to Investigate Illegal Imprisonments

The National Bar Association, in a circular to the various bar associations throughout the country, sent instructions Oct. 14, that investigations be made into cases of illegal imprisonment in their respective areas. Reports on such cases are to be submitted to the judicial organs concerned for immediate attention.

Is Jealousy a Disease?

There is a doctor in Rome who has made a considerable name for himself by curing jealousy. This doctor first examines his patient's eyes minutely in order to determine the state of the liver, and his treatment consists of a reduction of food, an increase of exercise, and certain medicines.

If the liver is sluggish constipation results, with its attendant ills which affect the temper and give rise to an intolerant, jealous state of mind. To restore liver activity and cheerful spirits there is no need to go to Rome; an occasional dose of Pinkettes will do all that is necessary. These dainty little laxative pills, acting in a perfectly normal way, remove any accumulation of waste matter from the system. They banish biliousness and sick headaches, relieve piles, sweeten the breath, make the eyes bright, the skin clear, drive away depression.

Try Pinkettes yourself and you will be delighted with their beneficial effects. All chemists sell them.

New English Publications

THE LITTLE CRITIC

ESSAYS, SATIRES AND SKETCHES ON CHINA

By Lin Yutang. First Series, $2.00

The essays collected in this volume represent selections from the "Little Critic," which was first started in June, 1930, and has ever since remained a constant feature of the "China Critic." The papers, more than eighty in number, are collected in two volumes for the convenience of those who admire the author's humourous writing.

THE ORIGIN OF PARLIAMENTARY SOVEREIGNTY OR "MIXED" MONARCHY

By Yung Chi Hoe. Price, $2.40

FOREST BOTANY OF CHINA

By Shun-Ching Lee. Price, $8.00

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CUSTOMS NOTIFICATION No. 1470

With reference to Notification No. 1428, the public is hereby notified that in accordance with Government instructions export duty on frozen ducks will be levied at the reduced rate of 5 per cent. *ad valorem* from the 1st October, 1935, until the 31st March, 1936, inclusive.

H. O. Tong,
Superintendent of Customs.
Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 17th October, 1935.

CUSTOMS NOTIFICATION

No. 1471

With reference to previous Customs Notifications regarding Tonnage Dues Certificates, the public is now notified that in future, in accordance with Government instructions:—

(1) when a vessel is laid up for any valid reason in a Chinese port, its Tonnage Dues Certificate may be extended by the period during which it is laid up, provided the owners notify the Customs in advance of their intention to lay up their vessel and the vessel concerned be laid up for at least one month, and

(2) in the case of a vessel already laid up for one month or more, its Tonnage Dues Certificate may be extended by the number of days during which it is laid up.

The above ruling, which applies both to ocean-going and to river steamers, implies that, if a Tonnage Dues Certificate expires whilst the vessel is laid up, the new Certificate, issued when the vessel next clears, will give credit only for the period from the date of the laying-up of the vessel to the date of expiry of the previous Certificate.

H. O. Tong,
Superintendent of Customs.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai 17th October, 1935.

C.N.A.C. Eight Hour Service Between Shanghai and Chengtu

In view of the ever-increasing passenger traffic on their Shanghai—Chengtu Line (which comprises the Shanghai—Hankow, Hankow—Chungking, and Chungking—Chengtu Sections,) the China National Aviation Corporation has decided to put their new 14-passenger plane Douglas DC.2 in service on the special express flight from Shanghai to Chengtu, which will be inaugurated on October 22.

The trip from Shanghai to Chengtu covers about 1,400 miles and will be accomplished in exactly eight hours by the newly arranged special express flight. The intermediate stations where the special express airplane will stop are Nanking, Kiukiang, Hankow, Ichang, and Chungking.

It is understood that two flights a week will take place either way, i. e. westbound on every Tuesday and Friday, eastbound on every Wednesday and Saturday. The plane leaves the airdrome at Lunghua in Shanghai at 7 a.m., arriving Chengtu at 3 p.m. in the afternoon.

The fares from Shanghai or Nanking to Chengtu, or vice versa, are as follows:—

From	To	Single Trip Fare	Round Trip Fare
Shanghai	Chengtu	$400	$720
Nanking	Chengtu	$380	$685

National Aviation Group Starts Shanghai Headquarters

The corner stone of the National Aviation Association headquarters in the Kiangwan Civic Centre near the Greater Shanghai Museum was laid Oct. 13 by Wang Hsiao-lai, chairman of the meeting and a standing Committeeman of the Association. It was an impressive ceremony. When completed the Association office building will resemble an airplane. Mayor Wu, the fact that the Te-chen, who was present, in a speech stressed organization is the only one of its kind in China. It was the foundation of the national salvation movement through the development of aviation. He appealed to the public for the support of the Association of which he is President.

British and Americans Plan Joint Hawaii-New Zealand Airline

British interests and Pan-American Airways are stated to be approaching an understanding which will assure an air line in the near future from Hawaii to New Zealand. It is reported that Pan-American plans to operate a line from Hawaii to Auckland, where it would join the British systems to Australia and London by way of India.

Twelve Killed in U.S. Plane Crash

Twelve persons were killed, including nine passengers, when a passenger and mail plane en route from California to New York, crashed fifteen miles west of Cheyenne, Wyoming, Oct. 7.

4,000 Planes at U. S. Bases Being Asked of Congress

An announcement that the next Congress will be asked to provide the United States army air bases with a force of 4,000 fighting planes within five years was made by U. S. Secretary of War George H Dern in a press interview in San Francisco Sept. 24, just before sailing the on U. S. cruiser *Chester* enroute to the Far East. He said that in his opinion this measure will make the United States the leader in air armaments.

"Z" Refrigeration Process to Be Demonstrated in Shanghai Shortly

Dr. Jacques C. Maguite, of New York City, having secured the exclusive rights on distribution and representation of the "Z" process of quick-freezing and quick-chilling for the Far East, including China, arrived in Japan about a fortnight ago and is due in Shanghai latter part of this month. The American "Z" Corporation has a working agreement with the Frick Company of Waynesboro, Penna. Dr. Maguite is bringing with him a "Z" unit specially built for perishable food products, meats, vegetables, eggs, ice cream, etc. He is arranging to make demonstrations here of the process. He will make his headquarters at the Astor House.

Dr. Sze Speaks at Inaugural Ceremony of Chinese Church in Washington

On Sunday, Sept. 22, the inaugural ceremony of the establishment of the first Chinese Community Church of Washington, D. C. was held at the Mt. Vernon Place, M. E. Church, South. Among the speakers of the day were Dr. Sao-ke Alfred Sze, the Chinese Ambassador, Daniel Roper, Secretary of Commerce, Dr. Benjamin Meeks, President of the Washington Federation of Churches, and Dr. W. L. Darby, Executive Secretary of the Washington Federation of Churches.